RNS Number : 9224T
Murray Income Trust PLC
09 September 2026

Murray Income Trust PLC
("the Company")
LEI: 549300IRNFGVQIQHUI13

Annual Report and Accounts for year ended 30 June 2026

Murray Income Trust PLC Trust plc (the "Company") hereby submits its Annual Report and Financial Statements for the year ended 30 June 2026 as required by the Financial Conduct Authority's Disclosure Guidance and Transparency Rule 4.1.

The Company's Annual Report and Financial Statements for the year ended 30 June 2026, including the Notice of Annual General Meeting, is being published in hard copy format and an electronic copy will shortly be available to download from the Company's web page on the Manager's website at MurrayIncome.com. It will also be made available to the public at the Company's registered office, 50 Lothian Road, Edinburgh, EH3 9BY.

The Company's Annual Report and Financial Statements will be uploaded to the Financial Conduct Authority's National Storage Mechanism and will shortly be available for inspection at: https://data.fca.org.uk/#/nsm/nationalstoragemechanism.

Enquiries:

Company Secretary

NSM Funds (UK) Limited

MUT@nsm.group

Strategic Report

Chair's Statement

I am pleased to report important developments in the management of your Company in the year to June 2026.

Peter Tait, Chair

Highlights

- Artemis was appointed as the new Manager of the Company, following the completion of a strategic review.
- Subsequent to their appointment on 2 March 2026, Artemis completed the majority of its portfolio changes in March 2026.
- The Company negotiated a 9-month management fee waiver with Artemis on taking over the portfolio.
- Fees will now be charged on the lower of market capitalisation or NAV.
- Over the year to end June 2026, the Net Asset Value ("NAV") total return was 15.1% and the share price total return was 19.2%.
- The Benchmark increased by 21.9% over the same period.
- After the transition of the portfolio in March, the NAV and share price returned 9.1% and 11.5% respectively against a Benchmark return of 4.7%.
- Annual dividend increased by 2.5%, the 53rd consecutive annual increase.

Overview

I am pleased to report important developments in the management of your Company in the year to June 2026.

At the start of the year, the Board initiated a strategic review of the management arrangements of the Company, resulting in the appointment of Artemis Fund Managers Limited ("Artemis") from 2 March 2026. At the same time NSM Funds (UK) Limited was appointed as the Company Secretary and Northern Trust as the Depositary and Custodian. We look forward to working closely with these colleagues in the years ahead. After a significant level of preparatory work, the transition was effected smoothly. My thanks for their assistance in this process go to my fellow Board members, to our corporate broker Investec, legal advisers Dickson Minto and PR consultants Camarco. My thanks also to Artemis and NSM for their efforts during the transition period itself.

The total costs of the review relating to legal, corporate and administrative services, amounted to c.£600,000. The stamp duty costs in relation to the transition of the portfolio were to c.£3.9m. These costs were, however, offset by a 9-month management fee waiver on the annual management charges for the fund, which will amount to about £3m, and a one-off additional marketing contribution from Artemis of £150,000. At the end of the 9-month fee waiver in December, management fees will be charged at the lower of market capitalisation or NAV.

The year to end June was another year of significant geo-political activity. The effects of US tariff policy and the continuing war in Ukraine continued to be felt but the biggest shock to the global economy was the joint US/Israeli attack on Iran on 28 February 2026. This sent crude oil prices up from about 70 per barrel to nearly 120 per barrel at one point, as Iran retaliated by closing the Strait of Hormuz, through which about 20% of the world's supply of oil passes. The outbreak of hostilities in Iran added to UK market volatility during March, at the time when the portfolio was being transitioned by Artemis.

The impact on the UK economy was also significant. Before the outbreak of hostilities, there was a good chance of UK inflation heading down towards 2%, bank interest rates heading towards 3% and the 10-year bond yield heading towards 4%. At the time of writing, however, inflation remains stuck at about 3%, base rates have remained paused at 3.75%, and the 10-year bond yield is hovering at around 5%.

One key result of the various geo-political events and their effect on the UK economy, is likely to be that any thought of lower UK interest rates this year has been put on ice. Despite this, the UK stock market continued to make progress, rising by 21.9% in the year to end June helped by strong returns from the Financials and Metals & Mining sectors in particular. The share price return from your portfolio was modestly behind that of the UK benchmark over the year, but with that performance gap closing significantly after the appointment of Artemis in March of this year.

Investment Performance

Shareholders will find a detailed review of Artemis's strategy and details of their performance and outlook in the Investment Manager's Report. Headline performance figures may be found in the table below.

Dividend

On 30 July 2026, the Board announced the Company's 53rd consecutive year of growth of dividend payments. For the year ended 30 June 2026, the dividend increased from 40.0p to 41.0p per share, a rise of 2.5%. Revenue for the year was 40.6p per share, slightly below the total dividend of 41.0p per share. However, share buybacks during the year reduced the number of shares entitled to the later dividends, thereby reducing their overall cost. Consequently, after allowing for the fourth interim dividend, revenue reserves increased slightly, and represented 56% of the annual dividend. The Board intends to continue delivering a progressive dividend. The fourth interim dividend of 12.5p was paid on 10 September 2026 to shareholders on the register on 7 August 2026. The ex-dividend date was 6 August 2026.

Discount and Share Buybacks

After a number of years during which investment trusts have traded at significant discounts to their underlying net asset value, I am pleased to report that there has been some narrowing of overall discount levels which, for general equity investment trusts, have reduced from around 9% to about 7.5% over the past year. This trend is partly due to more aggressive buyback policies from trust boards. Activist investors have also sought to persuade trust boards to address discount levels, whether through buybacks, continuation votes, performance-related tender offers, corporate restructurings, mergers, or a combination of all of these. Whatever the cause or causes, boards have become much more pro-active and consolidation in the trust sector has continued apace.

Your Board has been pro-active in launching a strategic review and employing a new investment and administration team. It has also continued to monitor the discount on a regular basis and has been active in buying back 4.6m shares, 4.7% of the opening share capital, over the past year at an average discount of 8.3%. The discount fell from 9.6% to 6.7% over the year with the effect of buying back shares adding a positive impact of 0.4% on the NAV total return. The Board will continue to monitor the discount and will remain active as and when it deems it necessary. As such, the Board will again be requesting shareholder approval at the AGM to renew the Company's buyback and issuance powers.

Investment Performance

Performance Total Return (annualised %)	Since Appointment	Three Months (Post Repositioning)	1 year to 30 June 2026	3 Years to 30 June 2026	5 Years to 30 June 2026	10 Years to 30 June 2026
Share price[AB]	(0.4)	11.5	19.2	10.2	6.9	8.4
Net asset value per Ordinary share[ABC]	(1.2)	9.1	15.1	9.1	6.4	7.5
FTSE All-Share	(2.3)	4.7	21.9	15.3	10.9	8.7

A Total return.

B Considered to be an Alternative Performance Measure.

C With debt at fair value.

Source: Lipper Limited/Artemis as at 30 June 2026. Figures show total returns with dividends reinvested, net of all charges. Performance does not take account of any costs incurred when investors buy or sell the trust.

The shares bought back are held in Treasury, meaning there is the potential for them to be reissued should the Company return to a sustained premium to NAV in the future. As at 30 June 2026, there were 93,313,684 (2025: 97,912,184) Ordinary 25p shares in issue with voting rights and 26,215,848 (2025: 21,617,348) shares held in Treasury.

Gearing

Artemis, as the new Manager, intends to continue to utilise gearing as a tool for enhancing portfolio performance. At the time that Artemis took over the portfolio, gearing was 5.3% but has risen modestly since then to 8.7% in line with the expected average level of gearing of 8-10% anticipated by Artemis.

The Company has in place £100 million of long-term borrowings made up of £40m loan notes redeemable at par in November 2027 and £60 million loan notes redeemable at par in May 2029. These combined have a weighted interest cost of 3.6%. The Company also has a three-year multi-currency revolving credit facility that runs to October 2027, but which can be reduced or terminated at short notice at no extra cost.

In conjunction with Artemis, the Board has considered whether Contracts for Difference ("CfDs") can be used for gearing the portfolio with greater flexibility and potentially lower cost. CfDs are now used by a number of well established managers in the investment trust sector and plans are currently being put in place to establish the appropriate legal framework for such a development.

Investment, People and Process

The Artemis team which has managed the Company's investment portfolio since March of this year consists of Adrian Frost, Andy Marsh and Nick Shenton who, between them, have 57 years of experience in running UK equity income portfolios. They will also be assisted by Investment Director Josh Passmore and Portfolio Analyst Jamie Lindsay.

The Artemis investment process is based on a disciplined long-term approach to value creation. It targets companies that can consistently generate durable and increasing levels of cash flow over the long term. They believe that investing in companies with strong cash flow characteristics will, in turn, lead to strong dividend growth. They build a diversified portfolio of 45 - 50 stocks based on where the market is deemed to be underestimating or undervaluing such cash flow. Thinking like owners of the business builds a greater understanding of the drivers of a company's prospects and allows for closer engagement with management teams over how best capital should be allocated between re-investment and dividend returns to shareholders. The Managers have a total return mind-set and the portfolio is run on a truly active basis. The investment process is not driven by style bias, by sector classification or by benchmark weighting.

Board Composition

Having served nine years on the Board, I will be retiring as Chair, and from the Board, at the AGM on 29 October 2026. It is with great pleasure that I can confirm that Jane Lewis will take over as Chair (if her election as a Director is approved by shareholders) following that AGM. Jane joined the Board as Chair-designate in May of this year and has considerable current and previous investment trust board experience. I wish her every success in her new role.

Taking Stock - Final Comments

As I look back on my nine years on the board of Murray Income Trust - the past three as Chair - I can't help but be astonished by how much has happened. We have lived through Brexit, a global Covid pandemic, Russia's invasion of Ukraine, recent conflicts in Gaza and Iran - and six British Prime Ministers! The Company has also seen some major changes. The merger with Perpetual Income and Growth Investment Trust in 2020 doubled the size of the Company. More recently, after a period of substantial underperformance, the Board initiated a strategic review which resulted in the appointment of Artemis as the Investment Manager of the Company.

No management change is easy, but one of the main upsides of investment trusts for long-term investors is having an independent board closely monitoring performance and making these tough decisions. The closed-end structure gives boards and managers the freedom to avoid short-termism and enhance capital and income growth through the judicious use of gearing and, in the case of your Company, a progressive dividend policy. That's why I recommend trusts as the bedrock of any long-term savings plan and why, with the appointment of Artemis, I have personally increased my holdings in Murray Income Trust.

This is not to say that investment trusts do not face challenges. We need to educate and attract a new generation of investors. With the rise of AI, younger generations have more access to information about investing than ever before - not all of it wise counsel. My youngest daughter recently asked an AI website for the best place to invest. It suggested "the Magnificent Seven" - but this was after these stocks had substantially outperformed, and with no thought to risk management or control. We need to ensure that the sensible benefits of balanced, diversified portfolios like Murray Income Trust are not lost in the noise of AI.

Over the past 10 years, the Murray Income Trust portfolio has produced share price returns of over 8% per annum. At that rate, your holding will double in value approximately every nine years, compounding both capital and income at an attractive rate.

I leave you in the hands of an experienced Board and Management team, and look forward with great interest to watching how the portfolio performs under the style-agnostic, cashflow-driven investment process of the new Managers. The signs are positive.

Online Retail Shareholder Presentation

The Company will hold an online presentation for retail shareholders and interested parties at 11am on 13 October 2026. The Investment Manager and Chair will discuss investment matters and the outlook for the Company. You are welcome to submit questions during the presentation. Further information on how to register can be found using the link below:

Murray Income Trust Webinar.

Annual General Meeting

The Company is holding its AGM at 12:00pm on Thursday 29 October 2026 at the Balmoral Hotel, 1 Princes Street, Edinburgh EH2 2EQ.

I always welcome questions from our shareholders at the AGM. Alternatively, shareholders may submit questions prior to the AGM by sending an email to: **mut@nsm.group.**

Shareholders will find enclosed with this Annual Report an Invitation Card and Form of Proxy for use in relation to the AGM. Whether or not you are attending the AGM, shareholders are encouraged to complete the Form of Proxy, for which the latest date of receipt by the registrar is 12:00pm on 27 October 2026. Completion of a Form of Proxy does not prevent a shareholder from attending and voting in person at the AGM.

Shareholders who wish to attend and/or vote at the AGM and hold their shares via a platform will need to make arrangements with the administrator of their platform. Further details on how to attend and vote at company meetings for holders of shares via platforms can be found at: **www.theaic.co.uk/aic/how-to-vote-your-shares**.

Shareholders wishing to attend the AGM and who are unsure how to register, are invited to send an email to: **mut@nsm.group**

Peter Tait
Chair

8 September 2026

Investment Manager's Report

After a rigorous selection process that took place over several months, we were immensely pleased to be notified by the Board in November 2025 that we had been selected as the next managers of Murray Income Trust PLC.

Needless to say, we were - and still are - absolutely delighted. A closed end vehicle has felt like something of a 'missing piece' for our clients for some time.

To be appointed to manage a company of Murray's stature, scale and longevity (our track record as a team extends back a relatively lengthy 26 years; this is not even a quarter of Murray's life thus far!) is a real privilege and one that we will seek to justify to our fellow investors.

We inherited the Murray portfolio on 2 March 2026, and the portfolio underwent a significant repositioning so that by the end of March it reflected our strategy and from thereon we were fully accountable for the Murray assets. We enclose some comments on our investment performance (for the second quarter, covering the period post-portfolio transition to 30 June 2026) - as well as an outline of the portfolio transition process - below.

Introduction to our Investment Process

To briefly introduce ourselves, we are the team that manages Artemis Income, the largest open-ended equity income fund focused on the UK, and for more than a quarter of a century, our guiding principle has been cash flow first, dividends second.

This might seem counterintuitive. Why would an income manager not start with the dividend? We have observed over many years that if companies can generate attractive levels of free cash flow over time, the dividends tend to take care of themselves.

"For more than a quarter of a century, our guiding principle has been ***cash flow first, dividends second .***"

We view **free cash flow** as the best measure of how an investment is generating value for shareholders as it is a factual number, not an accounting-based measure that can be subject to estimates, judgement and occasionally manipulation. Our definition of free cash flow is the cash that is generated by a business after everyone has been paid, including investment required in the business to at least maintain its cash flow over the longer term. The cash that is left over (the free cash flow) is then available to be allocated to new incremental investments (such as acquisitions) or can be distributed to shareholders through dividends.

What we are trying to do is find companies with free cash flows that are underappreciated. In reality, this takes us to lots of different areas in the stock market, which brings us to another important part of our approach. We are **style agnostic** investors. What do we mean by this? Some investors will focus on a particular type of company - perhaps cheap ones ('value'), or perhaps those that are more expensive but could grow more quickly ('growth'). We simply go where the opportunities are: in some cases these are companies that can grow quickly, and in others where we find companies that are on cheaper valuations but we think are less challenged than their valuation implies.

"*We are* ***style agnostic investors:*** *we simply* ***go where the opportunities are.***"

What this results in is a portfolio that is difficult to paint with a single investment style, but is more diversified - or style agnostic - and the output of this is that we have generated good returns for our clients as market leadership has changed and different investment styles have had their moment in the sun.

Finally, we describe ourselves as **long term investors**, and would point to our average investment being held for more than eight years. In our view, this long term perspective allows us to focus on what we believe to be the key determinants of a company's success or failure and take advantage of opportunities presented by a market that seems to be increasingly short term in its thinking. We also believe modest gearing - which we have the ability to deploy in the Trust - is well suited to a longer term approach like our own.

"We describe ourselves as ***long term investors****, and would point to our* ***average investment being held for more than eight years .****"*

The output of our investment process is a strategy that over a 26-year time horizon has returned more than 9% per year on an annualised basis compared to the FTSE All-Share's return of 6% per annum over the same period.

The same process is now being applied for the benefit of shareholders in Murray Income Trust PLC.

Market Overview

The reporting period in question was - to say the least - action packed, and is difficult to summarise in short order.

Unusually, the performance of the UK equity market has been disproportionately driven by factors at play elsewhere.

The dominant force throughout has been the sheer scale of the capital expenditure by a handful of very large US technology companies into building out their AI infrastructure. These companies - the 'hyperscalers' - are expected to spend more than 700bn this year, with some estimates this could rise to 1tn in 2028.

This unprecedented capital spending has impacted all corners of equity markets, with a wide range of companies at various points in the AI supply chain. Beneficiaries include semiconductors (also fuelling the outperformance of the South Korean equity market, 50% of which is accounted for by two chipmakers, Samsung Electronics and SK Hynix), mining companies and power providers. Companies perceived to be somewhat removed from AI disruption have also performed well - those more exposed to asset intensive, old economy industries. This proved a boon to the UK market, which is more exposed to these areas than global peers.

This led to a significant period of underperformance for these companies, with investors concerned that a sector that has historically enjoyed high barriers to entry and attractive financial characteristics for many years is potentially vulnerable to disruption.

Elsewhere, bond yields have - through some volatility - continued to climb, not only reflecting government finances that look increasingly strained but concerns that the stop-start conflict in the Middle East could increase inflationary pressures through higher energy prices.

The UK has once again offered up some political volatility, with a turbulent period for the Labour party resulting in the resignation of Prime Minister Keir Starmer. Andy Burnham has recently been confirmed as his successor; we will of course be following policy developments with interest.

However, it follows from the above characterisation of our investment process that we remain focused on finding companies that we believe are good, long-term investments in their own right, and that do not rely on external factors (such as the policy choices of the incoming prime minister, for example) to succeed.

Transition Review

The portfolio transition was completed in early April 2026. In total 75% of the portfolio was traded, with the remaining 25% of the portfolio retained. The total traded value in the transition was £1,601m, of which £813m was buys and £788m was sells.

As we were transitioning the portfolio through March, markets were volatile due to the conflict in the Middle East. All trading was completed within a satisfactory timeframe.

The performance review below is focused on Q2 2026, namely the period after which we had largely completed the portfolio transition and the companies held in the Company reflected our own investment views.

Top 10 Holdings	**30 June 2026 % of Portfolio**
NatWest Group	4.7%
Lloyds Banking Group	4.4%
Barclays	4.3%
Aviva	4.2%
GSK	4.2%
Tesco	4.1%
Informa	3.9%
IG Group Holdings	3.6%
Imperial Brands	3.5%
Pearson	3.4%

Top 10 Holdings	**27 February 2026 % of Portfolio**
AstraZeneca	6.4%
National Grid	5.6%
Unilever	4.7%
TotalEnergies	4.2%
RELX	4.1%
Haleon	3.7%
Reckitt Benckiser Group	3.4%
ConvaTec Group	3.4%
Experian	3.4%
HSBC Holdings	3.3%

Performance Review %

	Since Appointment	Three Months (Post Repositioning)	1 Year to 30 June 2026	3 Years to 30 June 2026	5 Years to 30 June 2026	10 Years to 30 June 2026
Murray Income Trust PLC (NAV)	(1.2)	9.1	15.1	30	36.6	106.2
Murray Income Trust PLC (Share Price)	(0.4)	11.5	19.2	33.8	39.3	124.5
Artemis Income I Inc GBP	1.7	8.9	14.8	60.7	73.6	146.5
FTSE All-Share TR	(2.3)	4.7	21.9	53.1	67.9	129.8

Source: Lipper as at 30th June 2026

Contributors Post Transition

Top 10 Contributors	**Average Weight %**	**Return %**	**Impact %**
Shell	2.5	(17.4)	1.0
IG Group Holdings	3.8	29.3	0.8
SEGRO	2.8	35.9	0.7
Informa	3.9	23.2	0.6
Pearson	3.9	20.8	0.5
easyJet	1.2	60.6	0.5
BAE Systems	0.0	(15.3)	0.5
Barclays	4.2	30.1	0.4
NatWest Group	4.7	20.6	0.4
AstraZeneca	2.4	(4.1)	0.4

Source: FactSet

Note: performance period 1 April 2026 to 30 June 2026; bold indicates stocks that were either underweight or not owned in the period.

IG Group (self directed trading platform) shares hit an all-time high in May after a positive trading update. Assets under administration passed £20bn and management upgraded revenue growth guidance to between 10 and 15% for the full year. Improvements in culture and innovation introduced by IG's relatively new management team which has been in situ since 2024, are now manifesting in operational performance. Revenue growth is accelerating and active customers have increased for the fifth consecutive quarter. Chief executive officer Breon Corcoran announced a strategic review in March "to make sure IG maximises shareholder value", which was well received by investors. Notwithstanding some recent profit taking thanks to a run of strong performance, we think the setup going forward looks attractive. A 10% free cash flow yield offers value we believe, especially with a strong balance sheet and about 20% of the company's market capitalisation in cash in mind.

SEGRO (European warehouse, logistics and data centre owner) shares performed strongly following an unsolicited bid from US logistics giant Prologis. The bid took the form of an all-paper offer at net asset value (NAV), to which the board raised a robust and welcome defence. Several more bids followed, however, and the SEGRO board eventually recommended Prologis' fourth approach - valuing SEGRO at around £14bn - to shareholders. On the one hand, we are disappointed to see a company in which, as a team, we have invested for more than 15 years being taken out, particularly after we supported the board's efforts to achieve a higher price. SEGRO has a portfolio of assets that would be very difficult, perhaps even impossible, to replicate and which should generate an assured and growing rental income over the long term. The only aspect that counters this view is that we are mindful of heightened investor enthusiasm for all things related to data centres, which currently account for less than 10% of SEGRO's rental income.

Informa (global business to business events owner-operator) recovered as sentiment improved regarding its exposure to the Middle East. We think the market underappreciates (and perhaps misunderstands) the economics of Informa's industry events. These are long-term, highly profitable assets with strong cash conversion. They also create huge amounts of valuable and unique first-party data. Having invested materially in its technology, Informa is beginning to monetise this data by improving the customer value proposition at its events and by offering digital lead generation. Informa has an 8% free cashflow yield and a 13x forward P/E multiple. We think this offers significant value, given high returns on capital and its position as the global leader in an industry underpinned by structural growth.

Pearson (digital media and learning company) has delivered a better period of performance after a tougher period in which it found itself in the majority of 'AI disruption risk' baskets. Our assessment for some time has been that Pearson is one of relatively few businesses that can benefit from the integration of AI into its offering, thanks to its ownership of difficult to replicate, proprietary data. Furthermore, two thirds of Pearson's cash flow is derived from its assessments & qualifications business; surely - in a world that requires ever more proof and verification - this becomes more valuable? We have taken some profits however after a strong run for the shares.

easyJet (low cost airline) shares performed strongly after the airline was approached by US private equity firm Castlelake. easyJet rejected Castlelake's first four proposals before agreeing in principle to a sweetened offer in early July. Apollo then entered the race on 8 July with a higher proposal, which easyJet has backed. Our view - for some time - has been that easyJet's shares are materially undervalued (and trade below the replacement cost of its fleet of planes, ascribing no value to easyJet Holidays, its brand and slots at capacity constrained airports) and we are reassured to see more widespread recognition of this through Castlelake and Apollo's approaches.

Detractors Post Transition

Top 10 Detractors	Average Weight %	Return %	Impact %
HSBC Holdings	0.0	17.8	(1.0)
Rolls-Royce Holdings	0.0	28.2	(0.8)
Imperial Brands	3.9	(7.4)	(0.4)
BP	4.2	(22.6)	(0.3)
Smith & Nephew	2.6	(8.0)	(0.3)
Standard Chartered	0.1	(0.1)	(0.3)
Tesco	4.7	(1.0)	(0.2)
London Stock Exchange Group	3.2	(6.9)	(0.2)
Compass Group	0.0	17.6	(0.2)
GSK	4.6	(3.2)	(0.1)

Source: FactSet

Note: performance period 1 April 2026 to 30 June 2026; bold indicates stocks that were either underweight or not owned in the period.

Imperial Brands (tobacco company) shares were weak with other 'defensive' parts of the market in the second quarter, with a cautious trading update also playing its part. We continue to scratch our heads over our allocation to tobacco. On the one hand, valuations are undemanding, cash generation remains substantial and shareholders stand to make decent returns through a combination of dividends and share buybacks (Imperial's share count is down c.15% over the past three years). On the other hand, we see mounting risks of a more stringent regulatory environment for next-generation products, particularly vapes, where a growing number of studies point towards more acute health risks than previously appreciated. At a free cashflow yield of more than 10%, we believe that we are compensated for this risk, but continue to follow the regulatory environment with interest.

BP (oil and gas producer) shares were hamstrung by lower oil prices (oil shares were weak across the board in the second quarter). Currently, we have a larger allocation to BP than to Shell. BP has a higher dividend yield (5% versus 3.7%) and leverage that is higher than peers but falling. Thanks to exploration successes, BP has sufficient reserves to maintain current production levels for longer than Shell, where production is likely to begin to decline in 2030. In comparison to the UK market, however, our oil & gas exposure is limited, as is our weighting to commodities more broadly. These are sectors where it is inherently difficult to forecast cash flow - commodities are commodities after all! - and more often than not we believe to have more of an 'edge' in other areas.

Smith+Nephew (medical technology company) sold off along with healthcare more broadly. We believe the market continues to mis-analyse this company and is too focused on its admittedly challenged orthopaedics business, which contributes about 40% of Smith+Nephew's revenues and a third of its cashflow. However, its other divisions - sports medicine and wound management - are high-quality, high-margin businesses that are among the market leaders in industries underpinned by structural growth. As these two divisions continue to grow, they should account for an ever-larger proportion of group sales, earnings and cashflows.

Furthermore, we have seen signs over the past 12 months that the orthopaedics division is stabilising and we believe more 'self-help' measures could be enacted. All in all, we believe the current valuation (a P/E of 14x and a 6% free cashflow yield) offers attractive long-term risk/reward.

Portfolio Activity

Outside the transition process, we have made the following changes to the portfolio:

We added two new positions in the second quarter: **Reckitt Benckiser** (consumer health company) and **Standard Chartered** (bank and wealth manager).

The market cap of Reckitt Benckiser fell by almost £15bn from March to May, a drawdown of some 30%. Post this fall the shares offered a dividend yield of close to 5% and traded at the lowest P/E of the past two decades. We have owned Reckitt in the past - selling the shares in 2017 - so we retain a working knowledge of the business, and could see no new fundamental reason for the share price to reflect an impaired outlook for the future. Indeed, one explanation given was that Reckitt generating more than 40% of revenue from emerging markets was a bad thing, given oil price sensitivity and the spike caused by the Iran conflict. We look at it another way and think this exposure is a good thing for long-term owners. We also note the amount of M&A in the consumer goods sector and would not be surprised to see Reckitt attracting interest for its portfolio of brands, category mix and long-term growth potential.

We bought shares in Standard Chartered given a strong foothold in fast-growing economies in Asia. In particular, the bank has an attractive position in wealth management. Plenty of wealth is being created in Asia it seems, and it needs to be managed - and as wealth (which is capital light and generates higher returns) accounts for a larger proportion of Standard Chartered's profits going forward this should drive an acceleration in returns on tangible equity (ROTE) in our view. The shares have done well in recent years, but taking into account management's ambitions of mid/high teen ROTE by 2030 and significant capital returns (some analysts project c.25% of the market capitalisation will be returned through dividends and share buybacks) then a current valuation of 1.3x price to book does not look too demanding in our view.

We exited one position: **Sage** (business software provider).

Sage has historically traded at a significant valuation discount to its closest US peer, Intuit, but that has now reversed, with Intuit trading at a discount. Sage does not have the same ownership of its data as other technology names in the portfolio and we feel that AI is likely lowering barriers to entry. We had trimmed the position materially but made the choice to fully exit Sage more recently. We will continue to monitor the business closely as there is an AI bull case which could manifest in time.

Discount

The Trust's discount to NAV narrowed over the quarter, moving from **8.6%** as at 31 March 2026 to **6.7%** as at 30 June 2026.

Gearing

Our approach to gearing is to apply it consistently, aiming for a typical range of between 8-10%. Portfolio gearing was **8.7%** as at 30 June 2026; this compares with 5.3% as at 28 February 2026, before we inherited the portfolio.

Dividend

The fourth and final dividend of FY26 is 12.5p, compared to FY25's final dividend of 11.5p, representing year over year growth of 9%. This brings the full year FY26 to 41p, compared to FY25's full year dividend of 40p, representing year over year growth of 2.5%.

The portfolio derives its revenues - and therefore its income - from many different places around the world, with more revenue from overseas (58%) than in the UK (42%). This is illustrative of an important point: the Murray Income portfolio is *not* the UK economy, and is therefore not overly reliant on the fortunes of the UK economy to deliver attractive income and total returns for investors.

Outlook

The bids for SEGRO and easyJet as articulated above are yet another sign of the undervaluation of parts of the UK equity market in our view, and there are several more names in our portfolio that we believe could be vulnerable to an approach. This should underpin share prices as M&A approaches once again look to be ticking up for UK companies.

The macroeconomic noise - in the form of the Middle East, tariffs, AI investment, a new prime minister, among much more - continues, as it has done year after year. We continue to focus on controlling what we can control, which is finding a collection of companies that we believe are well equipped to grow their cash flows over the medium to long term, and working to make sure the portfolio remains well diversified across industries, sectors and investment styles.

In aggregate, the portfolio trades on an undemanding valuation of 12.4x earnings, a discount to the FTSE All-Share (12.7x) and a steep discount to global equities, with the FTSE World index currently trading on 23x earnings. We would also point to the Trust's yield premium to the All Share, and a portfolio that we believe offers better quality than the benchmark, as evidenced by higher cash conversion and return on capital employed.

Combining these characteristics with the Trust's gearing, and discount, which is still at a level to create an attractive investment entry point, we believe the setup for delivering a growing income and attractive total returns for investors going forward looks compelling.

Adrian Frost, Andy Marsh and Nick Shenton
Artemis Investment Management LLP

8 September 2026

Investment team profiles

Andy Marsh - Fund Manager

Andy has worked on Artemis's UK equity income strategies alongside Adrian Frost and Nick Shenton since February 2018. He joined Artemis after more than a decade managing money at Polar Capital where he was a partner. Having originally qualified as an accountant in 1997 at Ernst & Young, Andy worked as an analyst for ING Charterhouse and then for Merrill Lynch before a stint at Investec's investment bank as head of equity sales. Andy leads Artemis's mentoring scheme.

Nick Shenton - Fund Manager

Nick joined Artemis in 2012 to run income mandates alongside Adrian Frost and Andy Marsh. After studying Economics with French at the University of Nottingham, he started his career at F&C Asset Management in 2003. He spent four years there as an analyst and assistant fund manager on the UK and pan-European equities desks. In 2007, Nick moved to Polar Capital as a fund manager on its UK long/short equity hedge fund.

Adrian Frost - Fund Manager

Adrian manages Artemis's UK Equity Income strategies, alongside co-managers Nick Shenton and Andy Marsh, and has done so since he joined the firm in January 2002. After graduating from Jesus College, Cambridge, Adrian began his investment management career at Deutsche Asset Management (Morgan Grenfell) in 1983. He was appointed a director there in 1990 and head of UK equities in 1996. In 2020, Adrian received Investment Week's 'Outstanding Fund Manager Over 25 Years' award.

Jamie Lindsay - Analyst

Jamie joined Artemis in March 2019 and is an analyst on the Artemis Income strategy. Since joining Artemis he has worked on the Artemis Alpha Trust, Artemis European Select strategy and Artemis Strategic Assets strategy. He graduated in 2014 from the University of Oxford with a BA in History & Economics before joining Citigroup as an analyst. He then moved to Pcubed as a management consultant, focusing on risk measurement & reporting. Jamie is a CFA charterholder.

Josh Passmore - Investment Director

Josh is an investment director focusing on Artemis's Income, Global Income, Global Value and Monthly Distribution strategies. Prior to joining Artemis in March 2022, Josh spent three years at RBC Global Asset Management in sales and relationship-management roles covering UK and Irish financial institutions. Josh graduated from Manchester University with a degree in politics, philosophy and economics in 2017 before joining the RBC Wealth Management graduate programme, rotating across the wealth and asset management businesses. Josh is a CFA charterholder.

Artemis's approach to ESG

Introduction

Artemis believes stewardship activities contribute to better performing companies and therefore enhanced returns for our clients.

Our stewardship activities encompass the integration of material factors into investment processes, engagement with investee companies, voting and participation in industry initiatives. We assess a broad range of investment factors which can impact a company's value, including environmental, social and governance ('ESG') considerations, as we believe that ESG factors can be important drivers of risk and opportunity for the companies we invest in.

Our dedicated Stewardship team's role is to provide specialist insight, research, analysis and discussion on matters related to ESG integration, engagement and voting, as well as participation in industry wide initiatives to develop and promote best practices internally and across the investment management industry. In recognition of our commitment to stewardship we are a signatory to the Financial Reporting Council's UK Stewardship Code. Our most recent Stewardship report can be found on our website (www.artemisfunds.com).

Artemis's stewardship approach and its application to Murray Income Trust PLC

Our approach is to integrate ESG factors into our investment process with the core objective of improving long-term value creation and investment returns for our clients. ESG factors are not assessed separately but form part of our analysis of a company.

We seek companies with underappreciated cash flows that we believe are equipped to deliver and grow cash flow over the medium to long term. Companies that are more responsible in their conduct - be this with respect to environmental practices, the setting of a strong corporate culture, fostering positive relationships with stakeholders and more - tend to have a better chance of delivering long-term cash flow growth.

Conversely, companies that are irresponsible and fail to appreciate their wider responsibilities to their employees and various stakeholders have more vulnerable cash flows, especially over longer time horizons. It is therefore logical that assessing ESG factors forms part of our process.

Furthermore, we are long term investors, with an average stock holding period of more than 8 years running the Artemis Income fund since 2000. This has afforded us good access to companies at all levels, and allowed us to build partnerships with management teams, manifesting in consistent and regular input into corporate strategy and decision-making. Engagement therefore forms an important part of our process throughout the life cycle of an investment; you will find some examples of our company engagements from the past 12 months below.

Voting - A measured approach

We vote on all of our holdings, unless restricted from doing so by local market practices, laws or regulations. Voting decisions are made by our fund managers, informed by their knowledge of the company concerned, any engagement activity, Artemis's voting policy and input from external research providers such as Institutional Shareholder Services ('ISS').

For us, voting forms an important part of our stewardship responsibilities and we will vote against management when we believe this will lead to a better outcome and is in the interests of our clients.

Reporting - Meeting our clients' evolving needs

ESG analysis continues to evolve and we are committed to meeting the specific reporting needs of our clients. On our website we share policies (Stewardship, Engagement, Voting), detailed voting reports and regular ESG insights our website we share policies (Stewardship, Engagement, Voting), detailed voting reports and regular ESG insights. On an annual basis we publish our Stewardship Report which offers a detailed account of stewardship at Artemis including our firm's progress on key initiatives, case studies of both engagement and voting and descriptions of each strategy's ESG integration methods. We also publish Task force on climate-related financial disclosures ("TCFD") reports at Entity-level and Fund-level.

Engagement examples for the period 1 July 2025 to 30 June 2026:

Artemis has been actively engaging with **Barclays** on climate since 2020 when, following discussions with the Chairman, we supported the management resolution at its AGM, which set out Barclays' ambition to become a net zero bank by 2050.

In November 2024 we met with the Group Head of Sustainable and Transition Finance, as part of our regular engagement schedule. During this meeting we discussed developments, notably the bank's first Transition Update which was in the process of being drafted. We communicated the need to: closely link the narrative and disclosures with the business case - including financial metrics and client impact; provide detailed updates on each of the sectors for which targets have been set; and be transparent on both the opportunities and challenges posed by the climate transition and Barclays' ability to achieve the articulated plan. We had update meetings during 2025 on the newly released Client Transition Framework, a tool used to evaluate progress towards business models aligned with the low-carbon economy. We also met with the newly appointed Head of Sustainability Group in October to talk about the Barclays transition update: clients, capital and innovation report which was published in July 2025. We think this is an excellent report which covers in detail all the areas we had discussed. The following week Artemis also presented at the Barclays Sustainability offsite day.

We engaged with **Whitbread,** the owner of the budget hotel brand Premier Inn, to understand how the management team was approaching human capital management, resource efficiency, and supply chain relationships. Whitbread's management of financially material ESG factors is in our view robust, with comprehensive reporting and a strategy that integrates these considerations into its core business operations. The company has a significant focus on staff training, employee engagement, and retention, leveraging strong internal communication channels, structured career progression, and a focus on employee experience as competitive advantages. Investment in technology, and in-house tools, supports operational efficiency and labour management, with a commitment to optimising processes and enhancing the workplace for employees.

The supply chain strategy emphasises long-term partnerships, ethical sourcing, decarbonisation and participation in industry initiatives that support suppliers. Resource efficiency measures include energy and water savings, with ongoing efforts to explore further improvements. The company also considers climate risks and opportunities, integrating resilience and sustainability into building lifecycles and governance. Senior management support, and a mature sustainability programme embedded across the business, underpin these efforts.

Performance

Ten Year Financial Record

As at 30 June	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Income (£'000)	26,667	25,987	25,597	22,804	35,979	51,018	48,879	43,899	42,224	42,070
Shareholders' funds (£'000)	576,462	570,929	587,150	534,361	1,093,859	1,009,255	999,184	990,282	916,738	969,210
Per Ordinary share (p)										
Net revenue return	34.9	33.6	34.9	30.5	33.7	40.5	38.7	37.4	38.6	40.6
Dividends[A]	32.75	33.25	34.00	34.25	34.50	36.00	37.50	38.50	40.00	41.00
Net asset value (capital only)	860.1	856.3	888.1	808.3	934.6	864.9	894.4	946.0	936.3	1,038.7

A The figures for dividends per share reflect the years to which their declaration relates and not the years they were paid.

Financial Highlights and Dividends

Financial Highlights

	Year ended 30 June 2026	Year ended 30 June 2025	% change
Shareholders' funds (£'000)	969,210	916,738	+5.7
Net asset value ("NAV") per Ordinary share - debt at fair value[A]	1,045.0p	944.8p	+10.6
Net asset value per Ordinary share - debt at par	1,038.7p	936.3p	+10.9
Market capitalisation (£'000)	909,808	836,170	+8.8
Share price of Ordinary share	975.0p	854.0p	+14.2
Discount to net asset value on Ordinary shares - debt at fair value[A]	6.7%	9.6%	
Discount to net asset value on Ordinary shares - debt at par[A]	6.1%	8.8%	
Gearing (ratio of borrowing to shareholders' funds)			
Net gearing with debt at fair value[A]	8.7%	11.0%	
Dividends and earnings			
Revenue return per share	40.6p	38.6p	+5.2
Dividends per share[B]	41.0p	40.0p	+2.5
Dividend cover[A]	1.0 times	0.97 times	
Dividend yield[A]	4.2%	4.7%	

Revenue reserves (£'000)		
Prior to payment of fourth interim dividend[C]	32,936	32,464
After payment of fourth interim dividend	21,272	21,206
Operating costs		
Ongoing charges ratio[A]	0.48%	0.48%

(A) Considered to be an Alternative Performance Measure.

(B) The figures for dividends per share reflect the years in which they were earned (see note 7).

(C) As shown in the Statement of Financial Position.

Dividends

	Rate	XD date	Record date	Payment date
First interim	9.50p	13 Nov 2025	14 Nov 2025	11 Dec 2025
Second interim	9.50p	12 Feb 2026	13 Feb 2026	12 Mar 2026
Third interim	9.50p	21 May 2026	22 May 2026	18 Jun 2026
Fourth interim	12.50p	06 Aug 2026	07 Aug 2026	10 Sep 2026
Total dividends	**41.00p**			

Overview of Strategy

Business Model

Murray Income Trust plc (the "Company") is an investment trust whose Ordinary shares are listed on the London Stock Exchange. The Company is limited by shares.

The Company is governed by a Board of Directors (the "Board"), all of whom are non-executive, and has no employees. The Board is responsible for determining the Company's investment objective and investment policy. Until 2 March 2026, the Board had outsourced the day-to-day investment management and administration to Aberdeen. Abrdn Fund Managers Limited was the alternative fund manager, which delegated certain functions, including administration of the investment policy to Abrdn Investments Limited. Abrdn Fund Managers Limited further delegated fund administration and custodian services to BNP Paribas S.A.. Abrdn Holdings Limited was appointed as the Company Secretary.

From 2 March 2026, the Board appointed Artemis Fund Managers Limited to act as the Company's alternative investment fund manager ("AIFM"), who delegated portfolio management to Artemis Investment Management LLP. The AIFM further delegated fund administration and custodian services to Northern Trust. Company secretarial services are provided under a separate agreement with NSM Funds (UK) Limited.

The Company complies with Section 1158 of the Corporation Tax Act 2010 which permits the Company to operate as an investment trust.

Investment Objective

The Company aims for a high and growing income combined with capital growth through investment in a portfolio principally of UK equities.

Investment Policy

In pursuit of the Company's investment objective, the Company's investment policy is to invest in the shares of companies that have potential for real earnings and dividend growth, while at the same time providing an above-average portfolio yield. The emphasis is on the management of risk and on the absolute return and yield from the portfolio as a whole rather than the individual companies which the Company invests in, which is achieved by ensuring an appropriate diversification of stocks and sectors within the portfolio with a high proportion of assets in strong, well-researched companies.

The Company makes use of borrowing facilities to enhance shareholder returns when appropriate.

Delivering the Investment Policy

The Company maintains a diversified portfolio of the equity securities of UK and overseas companies with an emphasis on investing in quality companies with good management, strong cash flow, a sound balance sheet and which are generating a reliable earnings stream.

The Manager follows a bottom-up investment process based on a disciplined evaluation of a company's cashflow prospects. Top-down investment factors are not a primary driver of the investment process with risk management prioritised through diversification and limits on investment in any one sector or company.

Board Investment Limits

The Board sets additional investment guidelines within which the Manager must operate:

- the portfolio typically comprises between 40 and 70 holdings (but without restricting the Company from holding a more or less concentrated portfolio from time to time);
- the Company may invest up to 100% of its gross assets in UK-listed equities and other securities and is permitted to invest up to 20% of its gross assets in other overseas-listed equities and securities;
- the Manager may invest in any market sector, however, the top five holdings may not exceed 40% of the total value of the portfolio and the top three sectors represented in the portfolio may not exceed 50%; and
- the Company may invest no more than 15% of its gross assets in other listed investment companies (including investment trusts).

The Company may use derivatives for the purpose of enhancing portfolio returns and for hedging purposes in a manner consistent with the Company's broader investment policy. The Manager is permitted to invest in options and manner consistent with the Company's broader investment policy. The Manager is permitted to invest in options and in structured products, provided that any structured product issued in the form of a note or bond has a minimum credit rating of "A".

Gearing

The Board is responsible for setting the gearing policy of the Company and for the limits on gearing. The Manager is responsible for gearing within the limits set by the Board. The Board has set its gearing limit at a maximum of 25% of NAV at the time of draw down. Debt (both long and short term) and derivatives such as contracts for differences can be used for gearing. Gearing - borrowing money - is used selectively to leverage the Company's portfolio in order to enhance returns where this is considered appropriate. Particular care is taken to ensure that any financial covenants permit maximum flexibility of investment policy. Significant changes to gearing levels are communicated to shareholders.

Key Performance Indicators

At each Board meeting, the Directors consider a number of Key Performance Indicators ("KPIs") to assess the Company's success in achieving its objectives. These KPIs are described below, with those also categorised as Alternative Performance Measures marked with an asterisk and noting that NAV is calculated with debt at fair value:

KPI	Description
NAV (total return)[A] relative to the Company's benchmark	The Board considers the Company's NAV (total return), relative to the FTSE All-Share Index, to be the best indicator of performance over different time periods.
Share price[A] (total return)	The Board monitors share price performance relative to open-ended and closed-ended competitor products, taking account of differing investment objectives and policies pursued by those products. The figures for share price (total return) for the year and for the past three, five and ten years, as well as for the NAV (total return) per share, are shown above.
Discount/premium to NAV[A]	The discount/premium at which the Company's share price trades relative to the NAV per share is closely monitored by the Board.
Earnings and dividends per share	The Board regularly monitors the Company's current and forecast revenues as well as its revenue reserves. The Company's revenue reserves support the payment of a growing dividend where any year's revenue is insufficient to do so. Details are set out in Financial Highlights and Dividends in respect of earnings and dividends per share, together with the level of revenue reserves, for the year and previous year.
Ongoing charges[A]	The Board monitors the Company's operating costs and their composition with a view to limiting increases wherever possible. Ongoing charges include look through costs.

A Considered to be an Alternative Performance Measure.

Principal Risks and Uncertainties

There are a number of risks and uncertainties which, if realised, could have a material adverse effect on the Company's business model, future performance and solvency. The Board, through the Audit Committee, has put in place a robust process to identify, assess and monitor these by means of a risk assessment and internal controls system. This system was reviewed during the year, as explained in the Audit Committee Report. As noted therein, the Audit Committee has a risk register and uses a post-mitigation heat risk map to identify principal, and emerging, risks.

The Audit Committee and the Board both consider emerging risks as part of their normal review of factors which could affect the Company both in the short and longer term.

The principal risks are set out in the following pages with a high level summary of their management through mitigation and an indication of any change in assessment during the year. The principal risks faced by the Company have been categorised under the headings as follows. **Strategic and Market; Investment Management;** and **Operational**.

Principal Risk	Mitigating Action	Risk
Strategic and Market		
Discount control risk (unchanged) The Company's shares may trade at a discount to their underlying net asset value. The level of discount is determined by market supply and demand and may fluctuate, potentially becoming wider during periods of market uncertainty. Although the Company has authority to repurchase its own shares with the objective of managing discount volatility, there is no guarantee that such measures will be successful in controlling the discount. Discounts and premiums can fluctuate	The Board monitors the discount at which the Company's shares trade, including comparison with peer group discounts, and the Company will buy back or issue shares to try to minimise the impact of any discount or premium volatility. Whilst these measures seek to reduce volatility, they are not guaranteed to do this. During the year the Company bought back 4.6 million shares (2025: 6.8 million) representing 4.7% (2025: 6.5%) of the shares outstanding at the beginning of July 2025.	—

Principal Risk	Mitigating Action	Risk
considerably leading to more volatile returns for shareholders.		
Market risk (increased) Volatility in prices of the Company's investments and the potential loss the Company could suffer through realising investments following negative market movements. Changes in general economic or market conditions (such as interest rates, exchange rates and inflation rates) as well as global political events and trends, could substantially and adversely affect the prices of securities and, as a consequence, the value of the Company's investment portfolio, its prospects and share price. Current heightened risks arise from factors such as the increase in global armed conflict and the slowing of interest rate cuts by central banks. The longer-term emergence of the effects on investee companies of climate change, and the regulatory environment around this, presents a further risk.	To manage these risks the Board have appointed Artemis to manage the portfolio within the remit of the investment objective and policy, and imposed various guidelines. These limits ensure that the portfolio is diversified. In addition, Artemis reports at each Board meeting on the performance of the Company's portfolio, including the rationale for the investment decisions, the current portfolio and the investment strategy. The Board also considers sensitivity of the Company to market prices and changing economic conditions and how the portfolio would perform during a market crisis. In light of the material effect that geopolitical events (such as global armed conflicts and trade wars) have had on the Company's operating environment the Board has increased the market risk rating. The Board regularly reviews environmental/climate, geopolitical and economic developments with the Manager, along with the implications of these risks and events on portfolio construction and the Company's operations. ESG considerations are incorporated into the investment process of Artemis, as part of the drive to invest in companies with long-term viability.	∧
Investment Management		
Underperformance risk (unchanged) Consistent underperformance by the Investment Manager over short, medium and long term. The Investment Manager's style may result in the portfolio being significantly over or underweight positions in stocks and sectors compared to the benchmark and the Company's performance may deviate significantly from that of the benchmark and peers, possibly for extended periods.	The Board evaluates performance at each Board meeting on both an absolute and relative basis, against the Company's benchmark and peers, and across various periods: short, medium and long term. Performance is also reviewed at the annual strategy meeting. The Company has a set of investment limits and Board guidelines which ensure diversification of the portfolio. During the year, the Board appointed Artemis Fund Managers following a strategic review. The Board has evaluated performance of the Manager since appointment in light of significant change to the Company's portfolio.	–
Loss of Key Staff (decreased) Loss of key staff through natural loss or Manager reorganisation and/or redundancy could lead to a short-term deterioration in investment performance.	The Artemis team are responsible for managing the Company's investment portfolio since March of this year and consists of Adrian Frost, Andy Marsh and Nick Shenton providing a team approach that prepares for succession planning. They are also assisted by Investment Director Josh Passmore and Portfolio Analyst Jamie Lindsay. The Board has concluded that the new investment manager manages succession planning by implementing a team approach to portfolio management and therefore the Board has reduced the risk rating in the current year.	∨
Operational		
IT/Cyber Security risk (unchanged) Failure to ensure Investment Manager is effectively monitoring internal IT threats and failure to monitor the information security policies, data protection and IT monitoring procedures of key outsourced service providers.	The Audit Committee receives control reports, including disaster recovery procedures, business continuity plans, and confirmations from its key service providers regarding the measures that they take in this regard. The IT and cyber security policies of all key service providers have also been reviewed by the Board. The Board has considered the increased risk of cyber-attacks and received reports and	–

Principal Risk	Mitigating Action	Risk
	assurance from the Company's key service providers regarding information security in place.	

The following are other risks identified by the Board which could have a major impact on the Company but due to mitigation are not deemed to be principal risks.

Other Risks	Mitigating Action	Risk
Gearing risk (unchanged) The Company uses both long term and short term borrowings to increase the funds available for investment. These arrangements increase the funds available for investment and while this has the potential to enhance investment returns in rising markets, in falling markets the impact could be detrimental.	Gearing is monitored and strict restrictions on borrowings are imposed: gearing continues to operate within pre agreed limits so as not to exceed 25% of NAV at the time of draw down.	—
Dividend risk (unchanged) There is a risk that the Company fails to generate sufficient income from its investment portfolio to meet the Company's dividend requirements. As the portfolio has only recently been established, there is less historic evidence on which to assess its income-generating characteristics and the timing and sustainability of income from the underlying holdings.	The Board reviews estimates of revenue income and expenditure prepared by the Manager, which look forward up to five years. The Company's level of revenue reserves is monitored and can be added to in years of surplus or used to support the dividend in years where there is a revenue deficit. Furthermore, the dividend risk is mitigated by the Company's ability to distribute realised capital gains if required to meet any revenue shortfall. With the level of income paid and the capital reserves in the year, the Company has been able to raise its dividend.	—

The principal risks associated with an investment in the Company's shares can be found in the pre investment disclosure document ("PIDD") published by the Manager, which is available from the Company's website: **murray-income.co.uk**.

Promotional Activities

The Board recognises the importance of promoting the Company to existing and prospective investors both for improving liquidity and enhancing the rating of the Company's shares. The Company, supported by the Manager, participates in an investor relations programme which involves regional roadshows, promotional and public relations campaigns. The Manager's marketing and investor relations teams report to the Board on a quarterly basis giving analysis of their activities as well as updates on the shareholder register and any changes in the make-up of that register.

Communicating the long-term attractions of the Company is key. The promotional programme includes commissioning independent paid for research on the Company, most recently from Kepler Partners LLP a copy may be found on the Company's website.

The UK Stewardship Code and Proxy Voting

The Company supports the UK Stewardship Code 2026 and seeks to play its role in supporting good stewardship of the companies in which it invests. Responsibility for actively monitoring the activities of portfolio companies has been delegated by the Board to the Manager.

The Manager's Annual Stewardship Report for 2025 may be found at **www.artemisfunds.com/srp/documents**.

While delivery of stewardship activities has been delegated to the Manager, the Board acknowledges its role in setting the tone for the effective delivery of stewardship on the Company's behalf.

The Board has also given discretionary powers to the Manager to exercise voting rights on resolutions proposed by the investee companies within the Company's portfolio. The Manager reports to the Board on a six monthly basis on stewardship (including voting) issues.

Global Greenhouse Gas Emissions and Streamlined Energy and Carbon Reporting ("SECR")

All of the Company's activities are outsourced to third parties. The Company therefore has no greenhouse gas emissions to report from the operations of its business, nor does it have responsibility for any other emissions producing sources under the Companies Act 2006 (Strategic Report and Directors' Reports) Regulations 2013. For the same reason as set out above, the Company considers itself to be a low energy user under the SECR regulations and therefore is not required to disclose energy and carbon information. Further information on the Manager's obligatory disclosures under the Taskforce on Climate-related Financial Disclosures ("TCFD") may be found on the Company's website as the "TCFD Portfolio Report".

Viability Statement

As explained in the Chair's Statement the Board has undertaken a strategic review of the Company, and the following statement takes account of the changes that have arisen for the Company as a result of that review.

The Board regards the Company, which has no fixed life, as a long term investment vehicle but for the purposes of this viability statement has decided that a period of five years (the "Review Period") is an appropriate timeframe over which to report.

In assessing the viability of the Company over the Review Period the Directors have focused upon the following factors:

- the Company's principal risks and uncertainties as set out in the Strategic Report;
- the relevance of the Company's investment objective;
- the demand for the Company's shares as indicated by the level of premium and/or discount;
- the level of income generated by the Company's portfolio as compared to its expenses;
- the overall liquidity of the Company's investment portfolio;
- the £40m senior loan notes and £60m senior loan notes, which are repayable in 2027 and in 2029, respectively, and any likelihood of them breaching their covenants; and
- the requirement for the Company to repay its three year £30 million bank loan facility at its maturity in October 2027.

In making this assessment, the Board has considered in particular a large economic shock, such as another global pandemic, a period of increased stock market volatility and/or markets at depressed levels, a significant reduction in the liquidity of the portfolio, or persistent inflationary pressures, or changes in investor sentiment or regulation, and how these factors might affect the Company's prospects and viability in the future. The Board undertook scenario analysis, incorporating income forecasting, in reaching its conclusions, but recognising that the Company's expenses are significantly lower than its total income.

Taking into account the Company's current position and the potential impact of its principal risks and uncertainties, the Directors have a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due for a period of five years from the date of this Report.

Performance, Financial Position and Outlook

A review of the Company's activities and performance during the year, including future developments, is set out in the Chair's Statement and in the Investment Manager's Report. These cover market background, investment activity, portfolio strategy, dividend policy, gearing and investment outlook. A comprehensive analysis of the portfolio is provided while the full portfolio of investments is published monthly on the Company's website, with a three-month reporting lag. The Company's Statement of Financial Position shows the assets and liabilities at the year end. Borrowing facilities at the year-end comprised a mix of fixed and floating debt: a three year £30 million revolving credit facility, £40 million of senior loan notes due for repayment in 2027 and £60 million of senior loan notes due for repayment in 2029. Details of these are shown in notes 14 and 15 to the financial statements, respectively.

The future strategic direction and development of the Company is regularly discussed as part of Board meeting agendas. The Company announced the outcome of its Strategic Review on 20 November 2025 and that it had entered into heads of terms to appoint Artemis Fund Managers Limited ("Artemis") as the Company's new alternative investment fund manager. Artemis assumed responsibility for management of the Company's portfolio on 2 March 2026.

Board Diversity

The Board supports the principle of boardroom diversity, of which diversity of skills, gender and ethnicity are all important aspects. Further information on Board diversity may be found in the Directors' Report.

Environmental, Social and Governance ("ESG") and Human Rights Issues

The Board delegates the management of the portfolio, including assessment of ESG and human rights issues, to the Manager.

Whilst the Company does not have a sustainability objective and its investment policy does not have specific sustainability characteristics, ESG analysis is integrated into the Manager's investment process and portfolio construction. ESG factors are not the over-riding criteria in relation to investment portfolio decisions but the Manager aims to enhance potential value for shareholders, reduce risk and contribute positively by embedding ESG throughout the investment process.

The Company has no employees and, accordingly, there are no disclosures to be made in respect of employees.

Modern Slavery Act

Due to the nature of its business, being a company that does not offer goods and services to customers, the Board considers that the Company is not within the scope of the Modern Slavery Act 2015 because it has no turnover. The Company is therefore not required to make a slavery and human trafficking statement. The Board considers the Company's supply chains, dealing predominantly with professional advisers and service providers in the financial services industry, to be low risk in relation to this matter.

The Strategic Report was approved by the Board and signed on its behalf by:

Peter Tait
Chair

8 September 2026

Promoting the Success of the Company

The Board is required to report how it has discharged its duties and responsibilities under section 172 of the Companies Act 2006 during the year. Under this requirement, the Directors have a duty to promote the success of the Company for the benefit of its members (shareholders) as a whole, taking into account the likely long term consequences of decisions, the need to foster relationships with the Company's stakeholders, and the impact of the consequences of decisions, the need to foster relationships with the Company's stakeholders, and the impact of the Company's operations on the environment. In addition the Directors must act fairly between shareholders and be cognisant of maintaining the reputation of the Company.

The Purpose of the Company and Role of the Board

The Company has been established as an investment vehicle for the purpose of delivering its investment objective. Investment trusts, such as the Company, are long-term investment vehicles that are typically externally managed, have no employees, and are overseen by an independent non-executive board of directors.

The Board is responsible for all decisions relating to the Company's investment objective and policy, gearing, corporate governance and strategy, and for monitoring the performance of the Company's third party service providers, including the Manager.

The Board's philosophy is that the Company should foster a culture where all parties are treated with respect. The Directors provide mutual support combined with constructive challenge. Integrity, openness, accountability and diligence are defining characteristics of the Board's culture. The Company has a number of policies and procedures in place to aid a culture of good governance, such as those relating to Directors' conflicts of interests and dealings in the Company's shares, annual evaluation of Directors, anti-bribery and anti-tax evasion. At its regular meetings, the Board engages with the Manager to understand its culture and receives regular reporting and feedback from the other key service providers.

The Company's primary stakeholders have been identified as its shareholders, the Manager, other key third party service providers, investee companies and lenders. The following table sets out details of the Company's engagement.

Shareholders	The Directors place great importance on communication with shareholders. Further details on the Company's relations with shareholders, including its approach to the Annual General Meeting and investor relations, can be found in the Directors' Report.
Manager	The Investment Manager's Report details the key investment decisions taken during the year. The Board engages with the Manager at every Board meeting and receives presentations from the Manager to help it to exercise effective oversight of the Investment Manager and delivery of the Company's strategy. The Board also receives regular updates from the Manager outside of these meetings.
Other Key Third Party Service Providers	The Board ensures that it promotes the success of the Company by engaging specialist third party suppliers with the resources, controls and performance records to deliver the service required. The Board seeks to maintain constructive relationships with its key service providers (the Company Secretary, depositary and broker) either directly, or through the Manager, with ongoing dialogue and formal regular meetings. The Audit Committee conducts an annual assessment of key service providers as set out in the Committee's report. The Board seeks regular assurance that key third party service providers have in place appropriate business continuity plans and disaster recovery plans, together with policies and procedures designed to address the risks posed to the Company's operations by cyber-crime and other IT related issues.
Investee Companies	The Board is committed to investing in a responsible manner and actively monitors the activities of investee companies through its delegation to the Manager. In order to achieve this, the Manager has discretionary powers to exercise voting rights on resolutions proposed by the investee companies and reports quarterly to the Board on stewardship issues, including voting. The Board monitors investments made and divested and questions the rationale for exposures taken and voting decisions made. Information on how the Manager engages with investee companies may be found in the Investment Managers Report.
Lenders to the Company	On behalf of the Board, the Manager maintains a positive working relationship with the provider of the Company's multi-currency loan facility and the holders of the Company's Senior Loan Notes, assuring compliance with lenders' covenants and providing regular updates on business activity where sought.

Specific Examples of Stakeholder Consideration During the year

While the importance of giving due consideration to the Company's stakeholders is not a new requirement, and is considered as part of every Board decision, the Directors were particularly mindful of stakeholder considerations when reaching the following decisions during the year.

Strategic Review Resulting in the Change of Manager

Following the Board's strategic review, announced in July 2025, the Board undertook a comprehensive assessment of the Company's future investment management arrangements, considering proposals from the incumbent manager, third-party investment managers and other investment companies. Throughout the process, the Board's primary objective was to deliver improved long-term shareholder returns while maintaining the Company's investment objective, progressive dividend policy and other key characteristics. Following careful evaluation, the Board announced the appointment of Artemis as the Company's new AIFM, concluding that its investment expertise, long-term performance record and marketing capabilities were best placed to support the Company's future success and deliver sustainable value for shareholders. As part of the new investment management agreement, the annual investment management fee payable to Artemis is calculated by reference to the lower of the Company's market capitalisation or cum-income net asset value (with debt at fair value).

Appointment of Northern Trust

As part of the changes to the Company's management and service provider arrangements, with effect from 2 March 2026, Northern Trust Investor Services Limited were appointed as the Company's Depositary and The Northern Trust Company (London Branch) as Custodian.

Dividends Paid to Shareholders

The level, frequency and timing of dividends paid are key considerations for the Board, taking into account net earnings for the year and the Company's objective of providing shareholders with a high and growing income, combined with the Company's Dividend Hero. status. The total dividend per share for the year of 41.00p represents an increase of 2.5% on the previous year. Dividends are paid quarterly with the four payments equalised insofar as is practical.

Share Buybacks

During the year the Company bought back 4,598,500 (2025 - 6,772,817) Ordinary shares into treasury, providing a 0.4% accretion to the NAV. Shares were bought back on an opportunistic basis at times when the discount to the NAV per share had widened during normal market conditions.

These purchases represented 4.7% (2025: 6.5%) of the shares outstanding at the beginning of July 2025. It is the view of the Board that this policy remains in the best interests of all shareholders.

Direct Shareholder Engagement

The Board undertook an exercise to contact and identify shareholders holding their interests through investment platforms and other nominee arrangements.

Appointment of a Director

Jane Lewis was appointed a Director on 1 May 2026 following an external search. Jane is the Chair-designate for the Company and is expected to take over from Peter Tait at the conclusion of the forthcoming AGM.

Financial Statements

Statement of Comprehensive Income

		Year ended 30 June 2026			Year ended 30 June 2025		
	Note	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Gains/(losses) on investments	10	**-**	**96,831**	**96,831**	-	(12,495)	(12,495)
Net gains on derivatives	11	**-**	**331**	**331**	-	-	-
Currency (losses)/gains		**-**	**(264)**	**(264)**	-	460	460
Income	3	**42,070**	**-**	**42,070**	42,224	-	42,224
Investment management fees	4	**(668)**	**(1,559)**	**(2,227)**	(991)	(2,313)	(3,304)
Administrative expenses	5	**(1,722)**	**-**	**(1,722)**	(1,424)	-	(1,424)
Net return before finance costs and tax		**39,680**	**95,339**	**135,019**	39,809	(14,348)	25,461
Finance costs	6	**(701)**	**(1,631)**	**(2,332)**	(772)	(1,802)	(2,574)
Net return before tax		**38,979**	**93,708**	**132,687**	39,037	(16,150)	22,887
Taxation	8	**(37)**	**-**	**(37)**	(7)	-	(7)
Net return after tax		**38,942**	**93,708**	**132,650**	39,030	(16,150)	22,880
Return per Ordinary share - basic and diluted	9	**40.6p**	**97.7p**	**138.3p**	38.6p	(16.0)p	22.6p

The total column of this statement represents the profit and loss account of the Company prepared in accordance with FRS 102. The 'Revenue' and 'Capital' columns represent supplementary information prepared under guidance issued by the Association of Investment Companies.

All revenue and capital items in the above statement derive from continuing operations.

No operations were acquired or discontinued in the year.

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

Statement of Financial Position

	Note	As at 30 June 2026 £'000	As at 30 June 2025 £'000
Non-current assets			
Investments at fair value through profit or loss	10	**1,047,222**	1,011,048
Current assets			
Derivative assets	11	**168**	-
Other debtors and receivables	12	**8,319**	12,106
Cash and cash equivalents	13	**22,623**	10,426
		31,110	22,532
Creditors: amounts falling due within one year			
Other payables	14	**(4,553)**	(4,695)
Liability for cash collateral received		**(130)**	-
Bank loans and overdrafts	14	**-**	(6,140)
		(4,683)	(10,835)

Net current assets		**26,427**	11,697
Total assets less current liabilities		**1,073,649**	1,022,745
Non-current liabilities			
Creditors: amounts falling due after more than one year			
2.51% Senior Loan Notes		**(39,982)**	(39,969)
4.37% Senior Loan Notes		**(64,457)**	(66,038)
	15	**(104,439)**	(106,007)
Net assets		**969,210**	916,738
Capital and reserves			
Share capital	16	**29,882**	29,882
Share premium account		**438,213**	438,213
Capital redemption reserve		**4,997**	4,997
Capital reserve		**463,182**	411,182
Revenue reserve		**32,936**	32,464
Total Shareholders' funds		**969,210**	916,738
Net asset value per Ordinary share - basic and diluted	17		
Debt at fair value		**1,045.0p**	944.8p
Debt at par value		**1,038.7p**	936.3p

The financial statements were approved by the Board of Directors and authorised for issue on 8 September 2026 and were signed on its behalf by:

Peter Tait, Chair

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

Statement of Changes in Equity

For the year ended 30 June 2026

	Note	Share capital £'000	Share premium account £'000	Capital redemption reserve £'000	Capital reserve £'000	Revenue reserve £'000	Total £'000
Balance at 1 July 2025		29,882	438,213	4,997	411,182	32,464	916,738
Net return after tax		-	-	-	93,708	38,942	132,650
Buyback of Ordinary shares for treasury	16	-	-	-	(41,708)	-	(41,708)
Dividends paid	7	-	-	-	-	(38,470)	(38,470)
Balance at 30 June 2026		**29,882**	**438,213**	**4,997**	**463,182**	**32,936**	**969,210**

For the year ended 30 June 2025

	Note	Share capital £'000	Share premium account £'000	Capital redemption reserve £'000	Capital reserve £'000	Revenue reserve £'000	Total £'000
Balance at 1 July 2024		29,882	438,213	4,997	484,787	32,403	990,282
Net return after tax		-	-	-	(16,150)	39,030	22,880
Buyback of Ordinary shares for treasury	16	-	-	-	(57,455)	-	(57,455)
Dividends paid	7	-	-	-	-	(38,969)	(38,969)
Balance at 30 June 2025		29,882	438,213	4,997	411,182	32,464	916,738

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

Statement of Cash Flows

	Note	Year ended 30 June 2026 £'000	Year ended 30 June 2025 £'000
Operating activities			
Net return before finance costs and taxation		**135,019**	25,461
Decrease in accrued expenses		**(467)**	(67)
Overseas withholding tax		**1,216**	101
Decrease/(increase) in dividend income receivable		**294**	(76)
Decrease in interest income receivable		**2**	8
Interest paid		**(2,303)**	(2,619)
(Gains)/losses on investments	10	**(96,831)**	12,495
Gains on derivatives	11	**(331)**	-
Foreign exchange losses/(gains)		**264**	(460)
Amortisation of loan note expenses	6	**14**	14
Accretion of loan note book cost	6	**(1,581)**	(1,581)
Increase in other debtors		**-**	(3)
Stock dividends included in investment income	3	**1,618**	2,198
Net cash inflow from operating activities		**36,914**	35,471
Investing activities			
Purchases of investments		**(968,082)**	(239,369)

Purchases of investments		[illegible]	[illegible]
Sales of investments		**1,030,123**	285,407
Settlement of forward transactions	11	**163**	-
Liability for cash collateral received		**(130)**	-
Net cash inflow from investing activities		**62,074**	46,038
Financing activities			
Dividends paid	7	**(38,470)**	(38,969)
Buyback of Ordinary shares for treasury		**(41,917)**	(57,580)
Repayment of bank loans		**(6,303)**	(6,118)
Draw down of bank loans		**-**	6,122
Net cash outflow from financing activities		**(86,690)**	(96,545)
Increase/(decrease) in cash		**12,298**	(15,036)
Analysis of changes in cash during the year			
Opening balance		**10,426**	25,148
Effect of exchange rate fluctuations on cash held	18	**(101)**	314
Increase/(decrease) in cash as above	18	**12,298**	(15,036)
Closing balance		**22,623**	10,426
Represented by:			
Cash at bank and in hand	13	**101**	3,371
Money market funds	13	**22,522**	7,055
		22,623	10,426

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

Notes to the Financial Statements

For the year ended 30 June 2026

1. Principal activities

The Company is a closed-end investment company, registered in Scotland No SC012725, with its Ordinary shares being listed on the London Stock Exchange.

2. Accounting policies

(a) Basis of preparation. The financial statements have been prepared under the historic cost method modified by revaluation of investments at fair value through profit and loss and in accordance with Financial Reporting Standard 102, the Companies Act 2006 and with the Statement of Recommended Practice ("the AIC SORP") 'Financial Statements of Investment Trust Companies and Venture Capital Trusts' issued by the Association of Investment Companies in December 2025. The financial statements are prepared in Sterling which is the functional currency of the Company and rounded to the nearest £'000. They have also been prepared on the assumption that approval as an investment trust will continue to be granted. The accounting policies applied are unchanged from the prior year and have been applied consistently.

The Directors have undertaken a rigorous review and consider both that there are no material uncertainties and that the adoption of the going concern basis of accounting is appropriate. This conclusion is consistent with the longer term Viability Statement.

The Company's assets consist primarily of a diverse portfolio of listed equity shares nearly all of which, in most circumstances, are realisable within a very short timescale. The Board has set limits for borrowing and regularly reviews the level of any gearing, cash flow projections and compliance with banking and loan note covenants. The Directors are mindful of the principal risks and uncertainties disclosed in the Annual Report, and have reviewed forecasts detailing revenue and liabilities. The Directors are satisfied that the Company has adequate resources to continue in operational existence for the foreseeable future being at least 12 months from the date of approval of this Annual Report.

(b) Income. Dividends receivable on equity shares are treated as revenue for the year on an ex-dividend basis. Where no ex-dividend date is available dividends receivable on or before the year end are treated as revenue for the year. Where the Company has elected to receive dividends in the form of additional shares rather than cash, the amount of the cash dividend foregone is recognised as revenue and any residual amount is recognised as capital. Provision is made for any dividends not expected to be received. Special dividends are credited to capital or revenue, according to the circumstances. Dividend revenue is presented gross of any non-recoverable withholding taxes, which are disclosed separately within the Statement of Comprehensive Income.

Interest receivable from cash and short-term deposits and stock lending income is recognised on an accruals basis.

(c) Expenses. All expenses are accounted for on an accruals basis. All expenses are charged through the revenue column of the Statement of Comprehensive Income except as follows:

- transaction costs on the acquisition or disposal of investments are recognised as a capital item in the Statement of Comprehensive Income; and
- expenses are charged as a capital item in the Statement of Comprehensive Income where a connection with the maintenance or enhancement of the value of the investments can be demonstrated. In this respect the investment management fee has been allocated 30% to revenue and 70% to capital to reflect the Company's investment policy and prospective income and capital growth.

(d) Taxation. Taxation represents the sum of tax currently payable and deferred tax. Any tax payable is based on the taxable profit for the year. Taxable profit differs from net profit as reported in the Statement of Comprehensive Income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that were applicable at the Statement of Financial Position date.

Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the Statement of Financial Position date, where transactions or events that result in an obligation to pay more tax in the future or right to pay less tax in the future have occurred at the Statement of Financial Position date. This is subject future or right to pay less tax in the future have occurred at the Statement of Financial Position date. This is subject to deferred tax assets only being recognised if it is considered more likely than not that there will be suitable profits from which the future reversal of the underlying timing differences can be deducted. Timing differences are differences arising between the Company's taxable profits and its results as stated in the financial statements which are capable of reversal in one or more subsequent periods.

Deferred tax is measured on a non-discounted basis at the tax rates that are expected to apply in the periods in which timing differences are expected to reverse, based on tax rates and laws enacted or substantively enacted at the Statement of Financial Position date.

Due to the Company's status as an investment trust company and the intention to continue meeting the conditions required to obtain approval in the foreseeable future, the Company has not provided deferred tax on any capital gains and losses arising on the revaluation or disposal of investments.

The tax effect of different items of income/gain and expenditure/loss is allocated between capital and revenue within the Statement of Comprehensive Income on the same basis as the particular item to which it relates using the Company's effective rate of tax for the year, based on the marginal basis.

(e) Valuation of investments. All investments have been designated upon initial recognition at fair value through profit or loss. This is done because all investments are considered to form part of a group of financial assets which is evaluated on a fair value basis, in accordance with the Company's documented investment strategy, and information about the grouping is provided internally on that basis. Investments are recognised and de-recognised at trade date where a purchase or sale is under a contract whose terms require delivery within the timeframe established by the market concerned, and are measured initially at fair value. Subsequent to initial recognition, investments are valued at fair value through profit or loss. For listed investments, this is deemed to be bid market prices or closing prices for stocks traded on recognised stock exchanges. Gains and losses arising from changes in fair value are included in the net return for the period as a capital item in the Statement of Comprehensive Income and are ultimately recognised in the capital reserve.

(f) Cash and cash equivalents. Cash comprises cash in hand and demand deposits. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and that are subject to insignificant risk of change in value.

(g) Borrowings and finance costs. Borrowings of interest bearing bank loans and 2.51% Senior Loan Notes are recognised initially at the fair value of the consideration received, net of any issue expenses, and subsequently at amortised cost using the effective interest method. Borrowings of 4.37% Senior Loan Notes, which were novated to the Company on the merger with Perpetual Income and Growth Investment Trust plc, were recorded initially at their fair value of £73,344,000 and are amortised over the remaining life of the loan towards their redemption value of £60,000,000. The amortisation adjustment is presented as a finance cost. Finance costs accrue using the effective interest rate over the life of the borrowings and are allocated 30% to revenue and 70% to capital.

(h) Derivative contracts. The Company may enter into derivative financial instruments, including options and forward currency contracts, to gain market exposure or manage market and currency risk. Derivative financial instruments are classified as financial assets or financial liabilities at fair value through profit or loss and are initially recognised at fair value on the date the contract is entered into. Derivative financial instruments are subsequently remeasured to fair value at each reporting date, with gains and losses arising from changes in fair value recognised in the capital column of the Statement of Comprehensive Income. The fair value of open derivative positions is included within derivative assets or derivative liabilities in the Statement of Financial Position, as appropriate.

The premium on an option is treated as the option's initial fair value and is recognised over the life of the option in the revenue column of the Statement of Comprehensive Income, together with fair value movements arising from changes in the value of the underlying securities. Gains or losses arising on the exercise, expiry or closure of option contracts are recognised in the capital column of the Statement of Comprehensive Income.

(i) Segmental reporting. The Directors are of the opinion that the Company is engaged in a single segment of business activity, being investment business. Consequently, no business segmental analysis is provided.

(j) Nature and purpose of reserves.

Share capital. The Ordinary share capital on the Statement of Financial Position relates to the number of shares in issue and in treasury. Only when the shares are cancelled, either from treasury or directly, is a transfer made to the capital redemption reserve. This is a non-distributable reserve.

Share premium account. The balance classified as share premium includes the premium above nominal value from the proceeds on issue of any equity share capital comprising Ordinary shares of 25p and includes the premium arising following the issue of shares on the combination with Perpetual Income and Growth Investment Trust plc on 17 November 2020. This is a non-distributable reserve.

Capital redemption reserve. The capital redemption reserve reflects the cancellation of Ordinary shares, when an amount equal to the par value of the Ordinary share capital is transferred from the share capital reserve to the capital redemption reserve. This is a non-distributable reserve.

Capital reserve. This reserve reflects any gains or losses on investments realised in the period along with any movements in the fair value of investments held that have been recognised in the Statement of Comprehensive Income. These include gains and losses from foreign currency exchange differences. Additionally, expenses, including finance costs, are charged to this reserve in accordance with (c) and (g) above. When making a distribution to shareholders, the Directors determine profits available for distribution by reference to 'Guidance on realised and distributable profits under the Companies Act 2006' issued by the Institute of Chartered Accountants in England and Wales and the Institute of Chartered Accountants of Scotland in April 2017. The availability of distributable reserves in the Company is dependent on those distributions meeting the definition of qualifying consideration within the guidance and on available cash resources of the Company and other accessible sources of funds.

The capital reserve, to the extent it constitutes realised profits, is distributable. This may include unrealised (losses)/gains on investments where these are readily convertible to cash. The amount of the capital reserve that is distributable is complex to determine and is not necessarily the full amount of the reserve as disclosed within these financial statements in accordance with the Articles of Association, distributions by way of dividend can be made from capital reserves to the extent they are realised.

Revenue reserve. This reserve reflects all income and costs which are recognised in the revenue column of the Statement of Comprehensive Income. The revenue reserve is distributable by way of dividend.

(k) Treasury shares. When the Company buys back the Company's equity share capital as treasury shares, the amount of the consideration paid, including directly attributable costs and any tax effects, is recognised as a deduction from equity. When these shares are sold or reissued subsequently, the net amount received is recognised as an increase in equity, and the resulting surplus or deficit on the transaction is transferred to or from the capital reserve.

(l) Dividends payable. Final dividends are recognised from the date on which they are approved by Shareholders. Interim dividends are recognised when paid. Dividends are shown in the Statement of Changes in Equity.

(m) Foreign currency. Transactions in foreign currencies are converted to Sterling at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities and non-monetary assets held at fair value denominated in foreign currencies are translated into Sterling at rates of exchange ruling at the Statement of Financial Position date. Exchange gains and losses are taken to the Statement of Comprehensive Income as a capital or revenue item depending on the nature of the underlying item.

(n) Significant estimates and judgements. The Directors do not believe that any accounting estimates or judgements have been applied to these financial statements that have a significant risk of causing material adjustment to the carrying amount of assets and liabilities.

3. Income

	2026 £'000	2025 £'000
Income from investments		
UK dividends (all listed):		
- ordinary	**28,451**	23,901
- special	**332**	401
Property income dividends	**2,749**	1,285
Overseas dividends (all listed):		
- ordinary	**6,175**	11,007
- special	**173**	-
Stock dividends	**1,618**	2,198
	39,498	38,792
Other income		
Deposit interest	**92**	37
Money market interest	**1,299**	606
Traded option premiums	**1,163**	2,789
Underwriting commission	**18**	-
	2,572	3,432
Total income	**42,070**	42,224

There were special dividends in the year of £505,000 (2025 - £401,000) which were recognised as being revenue in nature.

4. Investment management fees

	2026			2025		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Management fee	**668**	**1,559**	**2,227**	991	2,313	3,304

The investment management fees paid to Aberdeen, the former Manager of the Company, are shown in the above table. No fees were accrued at the year end (2025: £537,000). The annual fees payable to Aberdeen were 0.35% on up to £1.1 billion of net assets and 0.25% on any net assets in excess of £1.1 billion.

Following the change of Investment Manager on 2 March 2026, Artemis agreed to waive its management fee for the period from 2 March 2026 to 2 December 2026. The fee waiver, which amounted to £1,155,000, reduced the total management fee payable for the year ended 30 June 2026.

Fees payable to Artemis are based on the following: 0.40% per annum on the portion of the Company's value up to £750 million, 0.375% per annum on the portion exceeding £750 million but not exceeding £1 billion, and 0.35% per annum on the portion in excess of £1 billion. The Company's value is defined as the lower of market capitalisation and net asset value, including income with debt at fair value.

5. Administrative expenses

	2026 £'000	2025 £'000
Shareholders' services[A]	**218**	400
Marketing fees	**50**	-
Directors' remuneration[B]	**211**	168
Secretarial fees[C]	**50**	75
Registrars fees	**66**	68
Depositary fees	**67**	77
Custody fees	**42**	64
Printing and postage[E]	**61**	16
Auditors' remuneration:		
- fees payable to the Company's auditors for the audit of the Company's annual financial statements	**57**	55
- fees payable to the Company's auditors for non-audit services: agreed upon procedures in relation to the change in manager	**10**	-
Legal and professional fees[D]	**453**	169

	2026 £'000	2025 £'000
Brokers fees	[illegible]	[illegible]
Irrecoverable VAT	196	104
Other expenses	**196**	176
	1,722	1,424

A Paid to Aberdeen up until 1 March 2026 under a delegation agreement to cover promotional activities during the year.

B Refer to the Directors' Remuneration section of the Directors' Remuneration Report for further details.

C Payable to Aberdeen up to the point of transition, balance outstanding of £nil (2025 - £19,000) at the year end.

D Includes directors' search fee of £27,000 (2025 - £35,000), fees paid to the Company's broker in respect of the strategic review of £205,000 (2025 - £85,000), £136,000 legal fees in respect of the change in manager and £80,000 one-off transition and migration costs incurred in connection with the transition of the Company's management arrangements following the strategic review.

E Includes printing and postage costs of £31,000 related to the Board's exercise to identify and contact shareholders (2025 - nil).

6. Finance costs

	2026			2025		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Bank loans and overdraft interest	**83**	**190**	**273**	154	361	515
2.51% Senior Loan Note	**301**	**703**	**1,004**	301	703	1,004
4.37% Senior Loan Note	**787**	**1,835**	**2,622**	787	1,835	2,622
Amortisation of 2.51% Senior Loan Note issue expenses	**4**	**10**	**14**	4	10	14
Amortisation of 4.37% Senior Loan Note	**(474)**	**(1,107)**	**(1,581)**	(474)	(1,107)	(1,581)
	701	**1,631**	**2,332**	772	1,802	2,574

Details of the Loan Notes and their amortisation are set out in note 15. Finance costs are allocated 30% to revenue and 70% to capital.

7. Ordinary dividends on equity shares

	2026		2025	
	Rate	£'000	Rate	£'000
Fourth interim dividend previous year	**11.50p**	**11,258**	10.00p	10,428
First interim dividend current year	**9.50p**	**9,300**	9.50p	9,734
Second interim dividend current year	**9.50p**	**9,024**	9.50p	9,496
Third interim dividend current year	**9.50p**	**8,888**	9.50p	9,311
		38,470		38,969

The fourth interim dividend for 2026 of 12.50p per Ordinary share has not been included as a liability in these financial statements as it was not paid until after the reporting date (10 September 2026).

The following table sets out the total dividends paid and proposed in respect of the financial year, which is the basis on which the requirements of Section 1158-1159 of the Corporation Tax Act 2010 are considered. The revenue available for distribution by way of dividend for the year is £38,942,000 (2025 - £39,030,000).

	2026		2025	
	Rate	£'000	Rate	£'000
Three interim dividends of 9.50p each (2025: three interim dividends of 9.50p each)	**28.50p**	**27,212**	28.50p	28,541
Fourth interim dividend	**12.50p**	**11,664**	11.50p	11,258
	41.00p	**38,876**	40.00p	39,799

8. Taxation

	2026			2025		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
(a) Analysis of charge for the year						
Overseas tax incurred	**193**	**-**	**193**	87	-	87
Overseas tax reclaimable	**(156)**	**-**	**(156)**	(80)	-	(80)
Total tax charge for the year	**37**	**-**	**37**	7	-	7

(b) Factors affecting the tax charge for the year. The UK corporation tax rate is 25% (2025 - 25%). The tax charge for the year is lower than the corporation tax rate (2025 - lower). The differences are explained below:

	2026			2025		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Net return before taxation	**38,979**	**93,708**	**132,687**	39,037	(16,150)	22,887
Net return multiplied by the standard rate of corporation tax of 25% (2025 - 25%)	**9,745**	**23,427**	**33,172**	9,759	(4,038)	5,721
Effects of:						
Non-taxable UK dividends	**(7,701)**	**-**	**(7,701)**	(6,636)	-	(6,636)
Non-taxable overseas dividends	**(1,588)**	**-**	**(1,588)**	(2,752)	-	(2,752)
Expenses not deductible for tax purposes	**-**	**-**	**-**	2	-	2
Movement in unutilised management expenses	**(456)**	**798**	**342**	(378)	1,029	651
Realised and unrealised (gains)/losses on investments and derivatives	**-**	**(24,291)**	**(24,291)**	-	3,124	3,124
Currency movements not taxable	**-**	**66**	**66**	-	(115)	(115)
Overseas tax payable	**37**	**-**	**37**	7	-	7
Total tax charge	**37**	**-**	**37**	2	-	2

(c) Factors that may affect future tax charges No provision for deferred tax has been made in the current or prior

(c) Factors that may affect future tax charges. No provision for deferred tax has been made in the current or prior accounting period.

The Company has not provided for deferred tax on capital gains or losses arising on the revaluation or disposal of investments as it is exempt from tax on these items because of its status as an investment trust company.

At the year end, the Company has, for taxation purposes only, accumulated unrelieved management expenses and loan relationship deficits of £81,750,000 (2025 - £80,363,000). A deferred tax asset at the standard rate of corporation tax of 25% (2025 - 25%) of £20,438,000 (2025 - £20,091,000) has not been recognised and these expenses will only be utilised if the Company has profits chargeable to corporation tax in the future. It is considered too uncertain that the Company will generate such profits and therefore no deferred tax asset has been recognised.

9. Return per Ordinary share - basic and diluted

	2026		2025	
	£'000	p	£'000	p
Returns are based on the following figures:				
Revenue return	**38,942**	**40.6**	39,030	38.6
Capital return	**93,708**	**97.7**	(16,150)	(16.0)
Total return	**132,650**	**138.3**	22,880	22.6
Weighted average number of Ordinary shares in issue		**95,920,722**		101,127,810

During the year ended 30 June 2026 there were no potentially dilutive shares in issue (2025 - none).

10. Investments at fair value through profit or loss

	2026 £'000	2025 £'000
Opening book cost	**917,729**	922,927
Opening investment holdings gains	**93,319**	150,607
Opening fair value	**1,011,048**	1,073,534
Analysis of transactions made during the year		
Purchases at cost	**967,197**	235,047
Sales proceeds received	**(1,027,854)**	(285,038)
Gains/(losses) on investments	**96,831**	(12,495)
Closing fair value	**1,047,222**	1,011,048

	2026 £'000	2025 £'000
Closing book cost	**1,007,262**	917,729
Closing investment gains	**39,960**	93,319
Closing fair value	**1,047,222**	1,011,048

	2026 £'000	2025 £'000
Gains on investments		
Realised gains on sale of investments at fair value	**150,277**	44,793
Realised losses on exercise of put options	**(87)**	-
Net movement in investment holdings gains	**(53,359)**	(57,288)
	96,831	(12,495)

The Company received £1,027,854,000 (2025 - £285,038,000) from investments sold in the year. The book cost of these investments when they were purchased was £877,577,000 (2025 - £240,245,000). These investments have been revalued over time and until they were sold any unrealised gains/(losses) were included in the fair value of the investments.

Transaction costs. During the year expenses were incurred in acquiring or disposing of investments classified at fair value through profit or loss. These have been expensed through capital and are included within gains on investments in the Statement of Comprehensive Income. The total costs were as follows:

	2026 £'000	2025 £'000
Purchases	**4,531**	1,040
Sales	**301**	169
	4,832	1,209

The above transaction costs are calculated in line with the AIC SORP. The transaction costs associated with the transition of the portfolio were £3,915,000.

11. Derivatives

(a) Valuation of derivatives

The year-end fair value represents the unrealised gain or loss on open forward currency contracts. At 30 June 2026 collateral received in relation to open forward currency contracts amounted to £130,000 (30 June 2025: £nil). Northern Trust is the counterparty.

	2026			2025		
	Fair value current assets £'000	Fair value current liabilities £'000	Gross Exposure £'000	Fair value current assets £'000	Fair value current liabilities £'000	Gross Exposure £'000
Forward currency contracts	**168**	**-**	**168**	-	-	-
	168	**-**	**168**	-	-	-

(b) Movement in derivatives

	2026	2025

	£'000	£'000
Movement in year:		
Closed contracts - realised gains	**163**	-
Open contracts - increase in fair value	**168**	-
Gains on derivatives in the year	**331**	-

12. Other debtors and receivables

	2026 £'000	2025 £'000
Amounts due from brokers for sale of investments	**1,149**	3,418
Accrued income	**3,243**	3,539
Taxation recoverable	**3,902**	5,120
Prepayments	**25**	29
	8,319	12,106

13. Cash and cash equivalents

	2026 £'000	2025 £'000
Cash at bank and in hand	**101**	3,371
Money market funds	**22,522**	7,055
	22,623	10,426

The Company holds £22,522,000 (2025 - £7,055,000) in Northern Trust Global Funds plc - Sterling Fund (2025 - Aberdeen Standard Liquidity Fund (Lux) - Sterling Fund) which is managed and administered by Northern Trust (2025 - Aberdeen).

14. Creditors: amounts falling due within one year

	2026 £'000	2025 £'000
Other creditors	**777**	1,447
Amounts due to brokers for purchase of investments	**3,776**	3,043
Amounts due to brokers for Ordinary shares bought back	**-**	205
	4,553	4,695
Bank loans and overdrafts	**-**	6,140
	4,553	10,835

The Company has a three year £30 million multi-currency unsecured revolving bank credit facility with The Royal Bank of Scotland International Limited, committed until 22 October 2027. Under the terms of the agreement, the Company has the option to increase the level of the commitment from £30 million to £50 million at any time, subject to the Lender's credit approval. Subsequent to the year end the Board reduced the revolving bank credit facility to £15 million effective 7 August 2026.

As at 30 June 2026, the Company had no amounts drawn down under the facility (2025 - the following amounts were drawn down under the facility, all with a maturity date of 30 July 2025):

	2026		2025	
	Currency	£'000	Currency	£'000
Euro at an all-in rate of nil (2025: 3.38%)	**-**	**-**	3,500,000	2,998
Norwegian Krone at an all-in rate of nil (2025: 5.76%)	**-**	**-**	5,900,000	426
Swedish Krona at an all-in rate of nil (2025: 3.56%)	**-**	**-**	9,500,000	727
US Dollar at an all-in rate of nil (2025: 5.74%)	**-**	**-**	2,725,000	1,989
		-		6,140

Financial covenants contained within the facility agreement provide, inter alia, that the ratio of net assets to borrowings must be greater than 3.5:1 and that net assets must exceed £550 million. All financial covenants were met during the year and also during the period from the year end to the date of this report.

15. Creditors: amounts falling due after more than one year

	2026 £'000	2025 £'000
2.51% Senior Loan Note	**40,000**	40,000
Unamortised 2.51% Senior Loan Note issue expenses	**(18)**	(31)
	39,982	39,969
4.37% Senior Loan Note at fair value	**73,344**	73,344
Amortisation of 4.37% Senior Loan Note	**(8,887)**	(7,306)
	64,457	66,038
	104,439	106,007

On 8 November 2017 the Company issued £40,000,000 of 10 year Senior Loan Notes at a fixed rate of 2.51%. Interest is payable in half yearly instalments in May and November and the Loan Notes are due to be redeemed at par on 8 November 2027.

As a result of the transaction with Perpetual Income and Growth Investment Trust plc on 17 November 2020, £60,000,000 of 15 year Senior Loan Notes at a fixed rate of 4.37% issued on 8 May 2014 were novated to the Company. Under FRS 102 the loan notes are required to be recorded initially at their fair value of £73,344,000 in the Company's Financial Statements and are then amortised over the remaining life of the loan towards their redemption value of £60,000,000. The amortisation adjustment is presented as a finance cost, split 70% to capital and 30% to revenue. Interest is payable in half yearly instalments in May and November and the Loan Notes are due to be redeemed at par on 8 May 2029.

Both the Loan Notes are secured by a floating charge over the whole of the assets of the Company and rank *pari passu*. The Company has complied with the Senior Loan Note Purchase Agreements covenants throughout the year that the ratio of net assets to gross borrowings must be greater than 3.5:1, and that net assets will not be less than £550,000,000 throughout the year.

16. Share capital

	2026		2025	
	Shares	**£'000**	**Shares**	**£'000**
Allotted, called-up and fully-paid:				
Ordinary shares of 25p each: publicly held	**93,313,684**	**23,328**	97,912,184	24,478
Ordinary shares of 25p each: held in treasury	**26,215,848**	**6,554**	21,617,348	5,404
	119,529,532	**29,882**	119,529,532	29,882

During the year 4,598,500 Ordinary shares were bought back (2025 - 6,772,817) to be held in treasury by the Company at a total cost of £41,708,000 (2025 - £57,455,000) representing 4.7% (2025 - 6.5%) of called-up share capital excluding Ordinary shares held in treasury at the start of the year.

17. Net asset value per Ordinary share - basic and diluted

	2026 Net Asset Value Attributable		2025 Net Asset Value Attributable	
	£'000	**pence**	**£'000**	**pence**
Net asset value - debt at par	**969,210**	**1,038.7**	916,738	936.3
Add: amortised cost of 2.51% Senior Loan Notes	**39,982**	**42.8**	39,969	40.8
Less: fair value of 2.51% Senior Loan Notes	**(38,958)**	**(41.7)**	(38,170)	(39.0)
Add: amortised cost of 4.37% Senior Loan Notes	**64,457**	**69.1**	66,038	67.5
Less: fair value of 4.37% Senior Loan Notes	**(59,639)**	**(63.9)**	(59,550)	(60.8)
Net asset value - debt at fair value	**975,052**	**1,045.0**	925,025	944.8

18. Analysis of changes in net debt

	At 1 July 2025	Currency differences	Cash flows	Non-cash movements	At 30 June 2026
	£'000	**£'000**	**£'000**	**£'000**	**£'000**
Cash and cash equivalents*	10,426	(101)	12,298	-	**22,623**
Debt due within one year	(6,140)	(163)	6,303	-	**-**
Debt due after more than one year	(106,007)	-	-	1,568	**(104,439)**
	(101,721)	(264)	18,601	1,568	**(81,816)**

	At 1 July 2024	Currency differences	Cash flows	Non-cash movements	At 30 June 2025
	£'000	**£'000**	**£'000**	**£'000**	**£'000**
Cash and cash equivalents*	25,148	314	(15,036)	-	10,426
Debt due within one year	(6,282)	146	(4)	-	(6,140)
Debt due after more than one year	(107,574)	-	-	1,567	(106,007)
	(88,708)	460	(15,040)	1,567	(101,721)

* An analysis of cash and cash equivalents between cash at bank and in hand and money market funds is provided in note 13.

A statement reconciling the movement in net funds to the net cash flow has not been presented as there are no differences from the above analysis.

19. Financial instruments

This note summarises the risks deriving from the financial instruments that comprise the Company's assets and liabilities.

The Company's investment activities expose it to various types of financial risk associated with the financial instruments and markets in which it invests. The Company's financial instruments, other than derivatives, comprise securities and other investments, cash balances, liquid resources, loans and debtors and creditors that arise directly from its operations; for example, in respect of sales and purchases awaiting settlement, and debtors for accrued income. The Company also has the ability to enter into derivative transactions in the form of forward foreign currency contracts, futures and options, subject to Board approval, for the purpose of enhancing portfolio returns and for hedging purposes in a manner consistent with the Company's broader investment policy. The fair value of open derivative positions at the year end was £168,000 (30 June 2025: £nil).

Risk management framework. The directors of Artemis Fund Managers Limited collectively assume responsibility for the Manager's obligations under the AIFMD including reviewing investment performance and monitoring the Company's risk profile during the year.

Risk management of the financial instruments. The main risks the Company faces from these financial instruments are (a) market risk (comprising (i) interest rate, (ii) foreign currency and (iii) other price risk), (b) liquidity risk and (c) credit risk.

In order to mitigate risk, the emphasis is on the absolute return and yield from the portfolio as a whole rather than the individual companies which the Company invests in, which is achieved by ensuring an appropriate diversification of stocks and sectors within the portfolio, with a high proportion of assets in strong, well-researched companies. The Company maintains a diversified portfolio of UK and overseas equities with an emphasis on investing in quality companies with good management, strong cash flow, a sound balance sheet and which are generating a reliable earnings stream. The Manager actively monitors market prices throughout the year and reports to the Board, which meets regularly in order to consider investment strategy. The Company's strategy is detailed in the Chair's Statement, in the Investment Manager's Report and in Overview of Strategy.

The Board has agreed the parameters for net gearing, which was 8.7% of net assets as at 30 June 2026 (2025 - 11.0%). The Manager's policies for managing these risks are summarised below and have been applied throughout the current and previous year. The numerical disclosures in the tables listed below exclude short-term debtors and creditors.

19 (a) Market risk. The Company's investment portfolio is exposed to market price fluctuations, which are monitored by the Manager in pursuance of the investment objective. Adherence to investment guidelines and to investment and borrowing powers set out in the management agreement mitigates the risk of exposure to any particular security or issuer. Further information on the investment portfolio is set out in the Investment Manager's Report.

issuer. Further information on the investment portfolio is set out in the Investment Manager's Report.

Market price risk arises mainly from uncertainty about future prices of financial instruments used in the Company's operations. It represents the potential loss the Company might suffer through holding market positions as a consequence of price movements. It is the Board's policy to hold equity investments in the portfolio in a broad spread of sectors in order to reduce the risk arising from factors specific to a particular sector. A summary of investment changes during the year under review is given in the Investment Manager's Report and an analysis of the equity portfolio by sector is also given in the Investment Manager's Report.

19 (a)(i) Interest rate risk. Interest rate movements may affect:

- the level of income receivable on cash deposits;
- interest payable on the Company's variable rate borrowings; and
- the fair value of any investments in fixed interest rate securities.

Management of the risk. The possible effects on fair value and cash flows that could arise as a result of changes in interest rates are taken into account when making investment and borrowing decisions. Details of the bank loan and interest rates applicable can be found in note 14.

The Board imposes borrowing limits to ensure gearing levels are appropriate to market conditions and reviews these on a regular basis. Interest rate risk is the risk of movements in the value of financial instruments as a result of fluctuations in interest rates.

Financial assets. The interest rate risk of the portfolio of financial assets at the reporting date was as follows:

	Floating rate		**Non-interest bearing**	
	2026 £'000	**2025 £'000**	**2026 £'000**	**2025 £'000**
Euro	**-**	-	**36,038**	91,964
Norwegian Krone	**-**	-	**-**	13,137
Singapore Dollars	**-**	-	**-**	27,367
Sterling	**22,623**	10,382	**1,011,184**	828,582
Swedish Krone	**-**	-	**-**	20,979
Taiwan Dollars	**-**	44	**-**	9,652
US Dollars	**-**	-	**-**	19,367
Total	**22,623**	10,426	**1,047,222**	1,011,048

The floating rate assets consist of cash at bank and cash held in money market funds earning interest at prevailing market rates.

The non-interest bearing assets represent the equity element of the portfolio.

Financial liabilities. The Company has floating rate borrowings by way of its loan facility and fixed rate senior loan note issues, details of which are in notes 14 and 15.

Interest rate sensitivity. The sensitivity analysis below has been determined based on the exposure to interest rates for both derivative and non-derivative instruments at the reporting date and the stipulated change taking place at the beginning of the financial year and held constant in the case of instruments that have floating rates.

If interest rates had been 1% higher or lower and all other variables were held constant, the Company's profit before tax for the year ended 30 June 2026 and net assets would increase/decrease by £226,000 (2025 - £47,000) respectively. This is mainly attributable to the Company's exposure to interest rates on its floating rate cash balances and borrowings.

19 (a)(ii) Foreign currency risk. A proportion of the Company's investment portfolio is invested in overseas securities whose values are subject to fluctuation due to changes in foreign exchange rates. In addition, the impact of changes in foreign exchange rates upon the profits of investee companies can result, indirectly, in changes in their valuations. Consequently, the Statement of Financial Position can be affected by movements in exchange rates.

Management of the risk. The revenue account is subject to currency fluctuations arising on dividends receivable in foreign currencies and, indirectly, due to the impact of foreign exchange rates upon the profits of investee companies. It is not the Company's policy to hedge this currency risk but the Board keeps under review the currency returns in both capital and income.

Foreign currency risk exposure by currency of denomination falling due within one year is set out in the table below. Net monetary assets/(liabilities) comprise cash and loan balances and exclude other debtors and receivables and other payables (including amounts due to or from brokers).

	30 June 2026			**30 June 2025**		
	Investments £'000	**Net monetary assets/ (liabilities) £'000**	**Total currency exposure £'000**	**Investments £'000**	**Net monetary assets/ (liabilities) £'000**	**Total currency exposure £'000**
Euro	**36,038**	**-**	**36,038**	91,964	(2,998)	88,966
Norwegian Krone	**-**	**-**	**-**	13,137	(426)	12,711
Singapore Dollars	**-**	**-**	**-**	27,367	-	27,367
Swedish Krone	**-**	**-**	**-**	20,979	(727)	20,252
Taiwan Dollars	**-**	**-**	**-**	9,652	44	9,696
US Dollars	**-**	**-**	**-**	19,367	482	19,849
Total	**36,038**	**-**	**36,038**	182,466	(3,625)	178,841

Foreign currency sensitivity. The following table details the impact on the Company's net assets to a 10% decrease (in the context of a 10% increase the figures below should all be read as negative) in Sterling against the foreign currencies in which the Company has exposure. The sensitivity analysis includes foreign currency denominated monetary and non-monetary items and adjusts their translation at the period end for a 10% change in foreign currency rates.

	2026 £'000	2025 £'000
Euro	**3,604**	8,897
Norwegian Krone	**-**	1,271
Singapore Dollars	**-**	2,737
Swedish Krone	**-**	2,025
Taiwan Dollars	**-**	970
US Dollars	**-**	1,985
Total	**3,604**	17,885

19(a)(iii) Other price risk. Other price risks (ie changes in market prices other than those arising from interest rate or currency risk) may affect the value of the quoted investments.

Management of the risk. It is the Board's policy to hold an appropriate spread of investments in the portfolio in order to reduce the risk arising from factors specific to a particular sector. The allocation of assets to international markets and the stock selection process, as detailed in the section "Delivering the Investment Policy", both act to reduce market risk. The Manager actively monitors market prices throughout the year and reports to the Board, which meets regularly in order to review investment strategy.

Other price risk sensitivity. If market prices at the reporting date had been 10% higher or lower while all other variables remained constant, the return attributable to Ordinary shareholders and equity for the year ended 30 June 2026 would have increased/decreased by £104,722,000 (2025 - £101,105,000).

19 (b) Liquidity risk. This is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities as they fall due in line with the maturity profile analysed as follows:

At 30 June 2026	**Within 1 year £'000**	**Within 1-3 years £'000**	**Within 3-5 years £'000**	**Total £'000**
2.51% Senior Loan Note 8/11/27	-	40,000	-	40,000
4.37% Senior Loan Note 8/5/29	-	60,000	-	60,000
Interest cash flows on 2.51% Senior Loan Note	1,004	502	-	1,506
Interest cash flows on 4.37% Senior Loan Note	2,622	5,244	-	7,866
Cash flows on other creditors	4,553	-	-	4,553
	8,179	105,746	-	113,925

At 30 June 2025	**Within 1 year £'000**	**Within 1-3 years £'000**	**Within 3-5 years £'000**	**Total £'000**
Bank loans	6,140	-	-	6,140
2.51% Senior Loan Note 8/11/27	-	40,000	-	40,000
4.37% Senior Loan Note 8/5/29	-	-	60,000	60,000
Interest cash flows on bank loans	3	-	-	3
Interest cash flows on 2.51% Senior Loan Note	1,004	1,506	-	2,510
Interest cash flows on 4.37% Senior Loan Note	2,622	5,244	2,622	10,488
Cash flows on other creditors	4,695	-	-	4,695
	14,464	46,750	62,622	123,836

Management of the risk. The Company's assets comprise readily realisable securities which can be sold to meet funding commitments if necessary. Short-term flexibility is achieved through the use of committed loan and overdraft facilities.

As at 30 June 2026 the Company utilised £nil (2025 - £6,140,000) of a £30,000,000 multi-currency revolving bank credit facility, which is committed until 22 October 2027. Details of maturity dates and interest charges can be found in note 14. The aggregate of all future interest payments at the rate ruling at 30 June 2026 and the redemption of the loan amounted to £nil (2025 - £6,140,000).

19 (c) Credit risk. This is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss.

Management of the risk. The risk is mitigated by the Manager reviewing the credit ratings of counterparties. The risk attached to dividend flows is mitigated by the Manager's research of potential investee companies. The Company's custodian bank is responsible for the collection of income on behalf of the Company and its performance is reviewed by the Depositary (on an ongoing basis) and by the Board on a regular basis. It is the Manager's policy to trade only with A- and above (Long Term rated) and A-1/P-1 (Short Term rated) counterparties. The maximum credit risk at 30 June 2026 is £26,955,000 (2025 - £17,329,000) consisting of £3,183,000 (2025 - £3,485,000) of dividends receivable from equity shares, £1,149,000 (2025 - £3,418,000) receivable from brokers and £22,623,000 (2025 - £10,426,000) in cash and cash equivalents.

None of the Company's financial assets are past due or impaired (2025 - none).

20. Fair value hierarchy

FRS 102 requires an entity to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Categorisation within the hierarchy is determined on the basis of the lowest level input that is significant to the fair value measurement of each relevant asset or liability. The fair value hierarchy has the following levels:

Level 1: unadjusted quoted prices in an active market for identical assets or liabilities that the entity can access at the measurement date;

Level 2: inputs other than quoted prices included within Level 1 that are observable (ie developed using market data) for the asset or liability, either directly or indirectly; and

Level 3: inputs are unobservable (ie for which market data is unavailable) for the asset or liability.

The valuation techniques used by the Company are explained in the accounting policies note 2(e). The Company's portfolio consists of quoted equities, which are level 1 and forward currency contracts, which are level 2. Derivative financial instruments, including forward currency contracts are valued at fair value, which is the net unrealised gain or loss.

The fair value of both the 2.51% Senior Loan Notes and 4.37% Senior Loan Note have been calculated by aggregating the expected future cash flows for those loans discounted at a rate based on UK gilts issued with comparable coupon rates and maturity dates plus a margin representing the credit risk for Investment Grade A bonds. The fair value and amortised cost amounts can be found in note 17.

All other financial assets and liabilities of the Company are included in the Statement of Financial Position at their book value which in the opinion of the Directors is not materially different from their fair value.

The following table sets out the fair value measurements using the FRS 102 hierarchy at 30 June.

	2026		2025	
	Assets £'000	Liabilities £'000	Assets £'000	Liabilities £'000
Level 1	**1,047,222**	**-**	1,011,048	-
Level 2				
- Derivative financial instruments (forward currency contracts)	**168**	**-**	-	-
Total	**1,047,390**	**-**	1,011,048	-

21. Related party transactions and transactions with the Manager

Fees payable during the year to the Directors and their interests in shares of the Company are considered to be related party transactions and are disclosed within the Directors' Remuneration section of the Directors' Remuneration Report.

The Company has agreements with the Manager for the provision of management, secretarial, accounting and administration services and promotional activities. Details of transactions during the year and balances outstanding at the year end are disclosed in notes 4 and 5.

22. Capital management policies and procedures

The investment objective of the Company is to achieve a high and growing income combined with capital growth through investment in a portfolio principally of UK equities.

The capital of the Company consists of debt (comprising loan notes and bank loans) and equity (comprising issued capital, reserves and retained earnings). The Company manages its capital to ensure that it will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance.

The Board monitors and reviews the broad structure of the Company's capital on an ongoing basis. This review includes:

- the level of equity shares in issue;
- the planned level of gearing which takes into account the Manager's views on the market; and
- the extent to which revenue in excess of that which is required to be distributed should be retained.

The Company's objectives, policies and processes for managing capital are unchanged from the preceding accounting period.

Notes 14 and 15 give details of the Company's bank facility agreement and loan notes respectively.

23. Post balance sheet events

The Company has reduced its revolving credit facility from £30 million to £15 million from 7 August 2026.

FINANCIAL INFORMATION

This announcement does not constitute the Company's statutory accounts. The financial information is derived from the statutory accounts, which will be delivered to the registrar of companies and will be put forward for approval at the Company's Annual General Meeting. The auditors have reported on the accounts for the year ended 30 June 2026, their report was unqualified and did not include a statement under Section 498(2) or (3) of the Companies Act 2006.

The Annual Report for the year ended 30 June 2026 was approved on 8 September 2026.

ANNUAL GENERAL MEETING

The Annual General Meeting will be held on 29 October 2026 at 12:00pm at the Balmoral Hotel 1 Princes Street, Edinburgh, EH2 2EQ.

Neither the contents of the Company's web pages nor the contents of any website accessible from hyperlinks on the Company's web pages (or any other website) is incorporated into, or forms part of, this announcement.

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