



Net Assets	£7.18m
Net Assets excluding unaudited current period revenues	£7.19m

ORDINARY SHARES

Share Price	68.00p
NAV per Share	78.14p*
Premium / (Discount to NAV)	(-12.98%)
Share Capital	9,186,025**

* includes unaudited revenue reserve to 31/12/2025

** excludes shares held in Treasury

INVESTMENT OBJECTIVE AND POLICY

The Company invests in cash-generative quoted UK Small and Mid-Cap Companies that are expected to grow faster than the UK stock market as a whole over the long term and which can finance their own organic growth.

The Company's objective is to outperform the UK equity market by investing in companies with higher-than-average earnings growth that are listed outside the top 100 stocks on either of the Main Market, AQSE or traded on AIM, to capture the smaller companies' outperformance effect. The Investment Manager believes the investment trust structure of the Company lends itself to investing in smaller, more illiquid growth stocks, as the closed-end structure removes the potential scenario where the Company needs to sell holdings at the wrong time to meet redemptions.

The Company principally invests (approximately 75 per cent of its funds) in shares of companies which are listed on the Main Market or AQSE or traded on AIM, with market capitalisations of less than £250 million. The Company also invests (approximately 25 per cent of its funds) in some UK listed companies with larger market capitalisations, for liquidity purposes.

MONTHLY MANAGER COMMENTARY

UK markets were positive in December post the Chancellor's budget, which was broadly benign for corporates, as we touched upon in the last factsheet. The Services and Manufacturing PMIs remain expansionary and both nudged up over their November reading, whilst Construction output remains challenging at 40.1 and the consumer remains cautious. The main macro event was the November inflation data, which was positive for equity markets, as the headline rate fell from 3.6% to 3.2% (below market expectations of 3.5%). This, alongside the continued softening of the labour market, allowed the Bank of England to cut rates to 3.75%.

From a stock perspective, Big Technologies was strong on an in-line trading update, in which it announced several new contract wins and a partnership to increase their sales reach in the USA, a key growth market for the company. Also positive was Restore, which announced it was trading ahead of expectations for 2025 with a positive outlook for 2026, at the same time it announced the sale of its struggling non-core Harrow Green removals business. Finally, Man Group was strong in the absence of any news-flow, on evidence of improved fund performance. From a negative perspective, Ashtead Technology's shares drifted in absence of any news flow. Telecom Plus was also soft, as the company reported interim and highlighted an H2 weighting, due to a change in the timing of certain costs recognition.

From a trading perspective, we added to the Trust's holdings in Auction Technologies on share price weakness and added positions in Rotork and Elementis. We trimmed Sigmaro and Man Group on strong performance. We also exited our holding in Gooch & Housego.

December brought to a close a very difficult year for the Trust, with many of its technology and media stocks struggling, whilst it missed out on strong performance from areas where we do not invest, such as banks and natural resources. Going into 2026, with the budget behind us, we hope the combination of fiscal stability and monetary easing will provide a more supportive backdrop to UK Small and Mid-Caps.

FUND MANAGERS



JAMES BAKER

James joined Chelverton Asset Management in June 2014 to manage MI Chelverton UK Equity Growth Fund.

A history graduate from Cambridge University, he has over 30 years of equity market experience on both buy and sell sides, specialising for all of his career in UK small and mid-capitalisation stock selection. He has worked for several organisations over the years, but most notably spent from 1999 to 2011 as part of the ABN Amro, small mid cap sales team which was consistently top ranked by Exetel. Prior to joining Chelverton he worked as the assistant fund manager on the Rathbone UK Recovery Fund.



EDWARD BOOTH

Edward joined Chelverton Asset Management in 2016 as an Assistant Fund Manager, becoming a Fund Manager in November 2017. Having graduated from the London School of Economics with a degree in Economics with Economic History, Edward qualified as a Chartered Accountant at Deloitte, where he focused on the insurance sector. Prior to joining Chelverton, he worked as a Business Analyst for Barclays, focusing on a number of areas including Investment Bank Revenue and Group Capital performance.



HENRY BOTTING

Henry joined Chelverton Asset Management in 2021 and was appointed co-manager in August 2022. Prior to joining, Henry worked on the Equity Sales team at FinnCap, where he specialised in UK small and micro-cap companies. He has a degree in Economic and Social History from the University of Edinburgh and prior investment management experience at Rathbones and OLIM. Henry is a CFA Charterholder.

RETURNS

31/12/2025

Since change of investment policy
(26 July 2023)*

	CURRENT MONTH	3 MONTHS	6 MONTHS	1 YEAR	FROM INCEPTION
Share Price Ordinary Shares	6.25%	6.25%	7.09%	-7.86%	3.03%
NAV Ordinary Shares	0.51%	-2.01%	-1.88%	-2.47%	15.61%
Deutsche Numis Smaller Companies plus AIM ex Investment Trusts Total	1.43%	1.63%	4.59%	11.85%	20.29%

Source: Chelverton Asset Management Limited and Morningstar and Deutsche Numis

Past performance is not a guide to future results

The Investment Company PLC changed its investment policy on 26 July 2023. The NAV as of that date has been taken as the tender price, which was equal to the estimated Post-Transaction NAV per Ordinary Share. For reasons of clarity, previous track record has been excluded from the performance table. For the avoidance of doubt, this fund does not have a formal benchmark. All comparisons are for information purposes only. For details of previous performance please see annual reports on The Investment Company plc website: <https://theinvestmentcompanyplc.co.uk>.





DIRECTORS

IAN DIGHÉ
Non-Executive Chairman

TIM METCALFE
Senior Independent Non-Executive Director

MARTIN PERRIN
Non-Executive Director

DAVID HORNER
Non-Independent Non-Executive Director

CALENDAR

Year End 30 June

AGM November

Management Fee Up to 0.75%*

Ongoing Fee 2%*

* The Investment Manager has waived the management fee of 0.75% and shall instead make a contribution to the company costs to ensure that the annualised ongoing charge does not exceed 2% of NAV.

PRICE INFORMATION

Reuters INV.M.L

SEDOL 0465825

CONTACT US

E: info@theinvestmentcompany.com

The Investment Company plc
The Office Suite, Den House,
Den Promenade
Teignmouth TQ14 8SY

W: www.theinvestmentcompanyplc.co.uk

Risk Factors

The value of investments and the income from them may go down as well as up and you may not get back your original investment. "Investment trusts can borrow money to make additional investments on top of shareholders funds (gearing), however, this is investment trust does not currently use any gearing. An investor could lose all of their capital. Smaller companies are riskier and less liquid than larger companies which means their share price may be more volatile. Some of the annual management fee is currently charged to the capital of the Fund. Whilst this increases the yield, it will restrict the potential for capital growth. The level of yield may be subject to fluctuation and is not guaranteed. Net Asset Value ("NAV") performance is not the same as share price performance and investors may not realise returns the same as NAV performance.

Risk Rating of Shares

Ordinary shares - High

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TOP TWENTY HOLDINGS

Holding	Sector*	% of Net Assets
JTC	Financials	2.7%
Man Group	Financials	2.3%
Restore	Support Services	2.1%
GB Group	Technology	2.1%
dotdigital	Technology	2.0%
Gamma Communications	Technology	1.9%
Everplay Group	Consumer	1.9%
Hostelworld	Consumer	1.7%
Premier Foods	Consumer	1.6%
Norcros	Construction	1.6%
Advanced Medical Solutions Group	Healthcare	1.5%
Big Technologies	Technology	1.5%
Coats Group	Consumer	1.5%
Bodycote	Industrials	1.5%
Brooks Macdonald	Financials	1.4%
Luceco	Construction	1.4%
Ashtead Technology	Support Services	1.3%
Discoverie Group	Industrials	1.3%
Avingtrans	Industrials	1.3%
Eurocell	Construction	1.3%
Total		34.0%

* Source Chelverton Asset Management Limited

SECTOR BREAKDOWN %

Sector %	% of Net Assets
Technology	19.3%
Consumer	13.0%
Industrials	11.8%
Financials	10.6%
Media	8.8%
Construction	8.7%
Support Services	7.4%
Healthcare	3.3%
Utilities	1.2%
Property	0.9%
Resources	0.0%
Cash and Income	15.0%
Total	100.0%

MARKET CAP BREAKDOWN

Sector %	% of Net Assets	No of stocks
Technology	Above £1bn	17.1%
Consumer	£500m - £1bn	14.5%
Industrials	£250m - £500m	18.6%
Financials	£100m - £250m	23.3%
Media	£100m - £250m	26
Construction	< £100m	11.5%
Support Services		19
Healthcare		
Utilities		
Property		
Resources		
Cash and Income	15.0%	
Total	100.00%	91

Source: Chelverton Asset Management Limited

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