M&G Investments

M&G Credit Income Investment Trust plc

Annual Report and audited Financial Statements for the year ended 31 December 2025

Company registration number: 11469317

M&G Credit Income Investment Trust

Our purpose

M&G Credit Income Investment Trust plc (the 'Company') seeks to generate high-quality, reliable income from a diversified credit portfolio, while seeking to preserve investors' capital through low net asset value (NAV) volatility.

Why invest in the Company?



Seeks to pay dividends of 4% above cash[a]
offers an historic yield of 8.0% based on the year end share price



High-quality, reliable income
sourced from a balanced portfolio of private and public credit, with 70%+ of the portfolio invested in investment grade-quality assets



Defensively positioned
in today's uncertain markets and primed to benefit from future dislocations



Higher income potential
than comparably rated bond portfolios thanks to M&G's ability to source private credit deals



Investment trust structure
allows investors to buy and sell the Company's shares to suit their circumstances without affecting the underlying portfolio



Zero Discount Policy[b]
designed to enable investors to buy and sell shares at close to NAV

Why M&G?

- a leading market position in private markets
- a rigorous and selective investment process based on more than two decades of experience
- one of Europe's largest in-house credit research teams

Company website

mandg.com/creditincomeinvestmenttrust

[a] Based on the SONIA (Sterling Overnight Index Average) interest rate benchmark administered by the Bank of England.

[b] Please refer to the Board's principal decisions within the Section 172 Statement on page 32 and the Glossary on page 122 for more details on the Zero Discount Policy.

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Company highlights

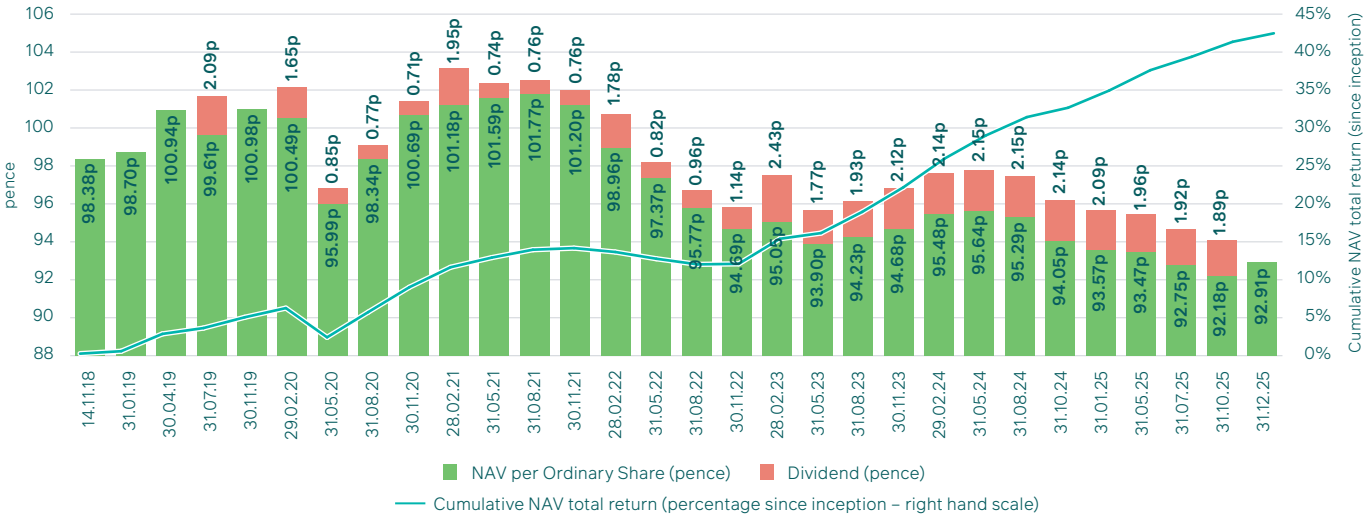
An investment trust from the fixed income experts

M&G Credit Income Investment Trust plc (the 'Company') seeks to generate high-quality, reliable income from a diversified credit portfolio, while seeking to preserve investors' capital through low net asset value (NAV) volatility.

The Company has the flexibility to invest in both public and private debt, which allows individual investors to access opportunities normally only available to large institutions. By investing in these specialised areas, we can construct a predominantly investment grade-quality portfolio with the potential to produce superior income to traditional bond funds without compromising on credit quality.

NAV, dividend and NAV total return

SONIA remains elevated but has fallen in line with interest rate cuts and Company dividends have subsequently reduced modestly.



Source: M&G and State Street as at 31 December 2025

Company highlights

Financial highlights

Key data

	As at 31 December 2025	As at 31 December 2024
Net assets (£'000)	185,767	139,995
Net asset value (NAV) per Ordinary Share	92.91p	95.11p
Ordinary Share price (mid-market)	95.0p	96.6p
Premium to NAV[a]	2.2%	1.6%
Ongoing charges figure[a]	1.18%	1.28%

Return and dividends per Ordinary Share

	Year ended 31 December 2025	Year ended 31 December 2024
Capital return	0.6p	1.5p
Revenue return	5.3p	6.0p
NAV total return[a]	6.2%	8.1%
Share price total return[a]	6.7%	14.6%
Total dividends declared[b]	7.62p	8.53p

[a] Alternative performance measure. Please see pages 117 to 118 for further information.

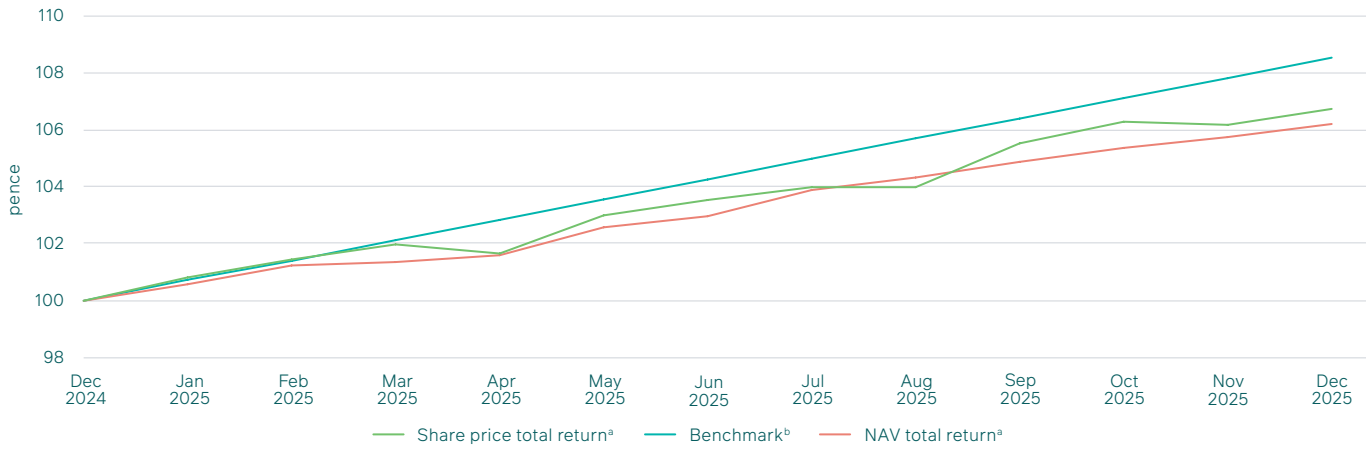
[b] The total dividends declared in respect of each financial year equated to a dividend yield of SONIA +4% on the adjusted opening NAV.

Total return (one year)

NAV total return underperformed the SONIA +4% benchmark due to: i) defensive portfolio positioning ii) private credit write-downs iii) insufficient market opportunities to realise notable capital gains.

NAV per Ordinary Share has reduced because dividend payments have exceeded NAV total return.

31 December 2024 = 100



[a] Alternative performance measure. Please see pages 117 to 118 for further information.

[b] SONIA +4%.

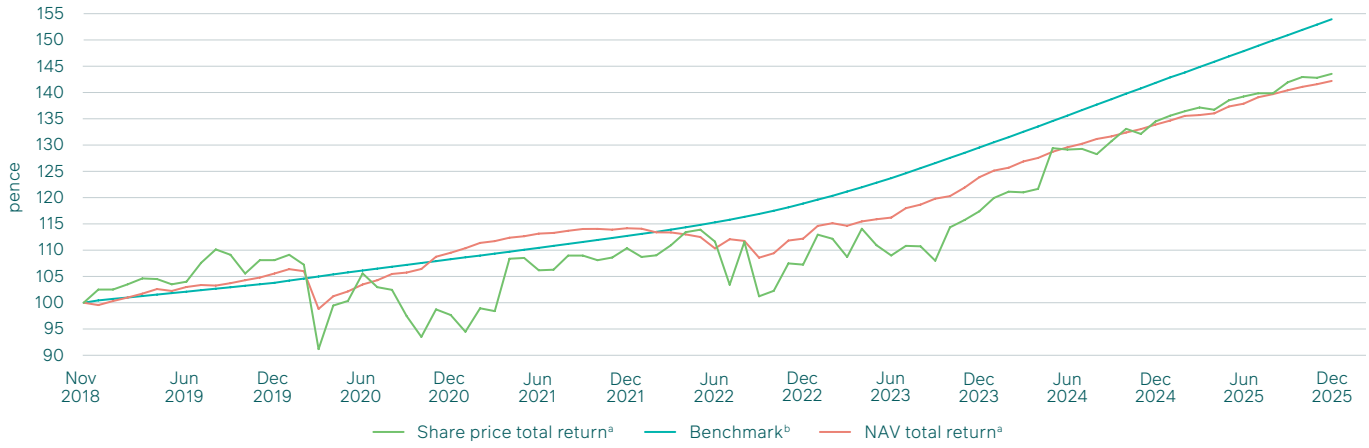
Source: M&G and Morningstar

Company highlights

Total return (since inception)

NAV per Ordinary Share has reduced because dividend payments have exceeded NAV total return.

14 November 2018 = 100



Calendar year NAV total return (%, pa)[a]	2025	2024	2023	2022	2021	2020	2019
M&G Credit Income Investment Trust	6.21%	8.08%	10.42%	(1.74)%	4.25%	3.75%	6.04%
Benchmark[b]	8.54%	9.50%	8.96%	5.47%	4.09%	4.32%	3.34%

Source: M&G and Morningstar, 31 December 2025

[a] Alternative performance measure. Please see pages 117 to 118 for further information.

[b] 3 Month LIBOR +2.5% from inception to 31 December 2019, 3 Month LIBOR +4% from 1 January 2020 to 31 December 2021, thereafter SONIA +4%.

[c] Company inception 14 November 2018.

Chairman's statement



> Investor demand enabled your Company to issue 58.6 million Ordinary Shares between 1 January 2025 and 28 February 2026. We have subsequently resumed buybacks to protect the share price following the outbreak of war in the Middle East. The portfolio has proved extremely resilient and is well placed to benefit from future volatility.

David Simpson
Chairman

Performance

Your Company's opening NAV on 1 January 2025 (adjusted for the last dividend for 2024) was 93.02p per Ordinary Share and its NAV on 31 December 2025 (adjusted for the last dividend for 2025) was 91.06p per Ordinary Share. Including dividends paid, the NAV total return for the year to 31 December 2025 was 6.21%, compared to our benchmark return of 8.54%.

The Investment Manager kept the portfolio defensively positioned throughout the year as it continues to believe (as it has for some time now), that credit spreads are not compensating investors for longer term corporate risk. Adding risk when it is expensive can significantly erode long-term portfolio gains. Your board supports the Investment Manager's stance that it is essential to resist over-exuberance and herd mentality, focusing instead on credit fundamentals and rational, long-term value. In the short-term this strategic decision has seen portfolio activity concentrate on improving credit quality rather than chasing yield, which has contributed to underperformance relative to the SONIA+4% pa benchmark.

The Company's NAV total return underperformed when compared with investment grade indices such as the ICE BofA Sterling Corporate and Collateralised Index (+7.10%) and the ICE BofA 1-3 Year BBB Sterling Corporate & Collateralized Index (+6.72%), whilst outperforming the ICE BofA European Currency Non-Financial High Yield 2% Constrained Index (+5.54%). (Please note: the Company's NAV total return is calculated net of fees: on a gross basis the Company's portfolio delivered higher returns than each of these comparable indices.)

Your Company's portfolio (including irrevocable commitments) at year end was 46% invested in private (not listed) assets, with an additional approximately 8% invested in illiquid publicly listed assets which are intended to be held to maturity. The reduction in the private asset portion of the portfolio (as compared with 52% prior year-end) was driven by our share issuance outpacing private asset deployment. The Investment Manager was pleased with the diverse range of opportunities it saw during the year and expects to continue to grow the private asset portion of the portfolio over time, in line with the Company's strategy. Having the flexibility to invest across all areas of the fixed income market is important to achieve the most attractive risk-adjusted returns for shareholders.

Share issues and discount management

During the year, your Company increased its market capitalisation by £47.75 million as sustained demand for share issuance continued to support its growth. This helps to improve liquidity in your Company's shares as well as reducing the ongoing charges ratio. Share issuance at an appropriate premium to NAV also underpins our Zero Discount Policy which seeks to ensure that Ordinary Shares trade close to NAV in normal market conditions.

Investor demand for new Ordinary Shares over the year was so great that it exceeded the authorities granted at the prior AGM. Accordingly, the board convened two additional general meetings during the year at which the necessary issuance authorities were renewed. The

Chairman's statement

Share issues and discount management (continued)

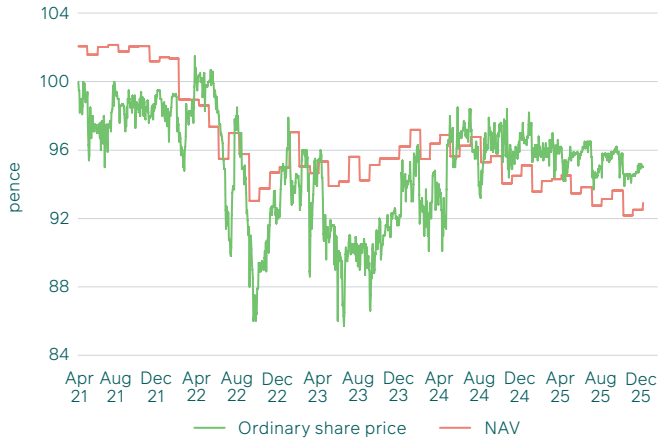
Company was also required to publish a new prospectus.

In March, the Company issued 6,647,969 new Ordinary Shares via a placing and retail offer, whilst an additional 46.1 million new Ordinary Shares were sold through follow-on tap issues over the period to 31 December 2025.

In accordance with the Board's policy, issues of Ordinary Shares were made at prices not less than the then prevailing published NAV together with a premium intended to cover the costs of the relevant issue and to contribute to the costs of publishing the prospectus mentioned above.

The Company's Ordinary Share price traded at an average premium to NAV of 1.9% during the year ended 31 December 2025. On 31 December 2025 the Ordinary Share price was 95.0p, representing a 2.2% premium to NAV as at that date. Issuance continued during January and February 2026, during which a further 5,850,000 Ordinary Shares were issued. Following the commencement of war against Iran and the consequent market turmoil, the Ordinary Share price moved to a discount and your Company recommenced its buyback programme in order to honour the Zero Discount Policy. 250,000 Ordinary Shares have been repurchased as at 27 March 2026.

Ordinary Share price (mid-market) vs NAV



Source: M&G and Morningstar as at 31 December 2025

NAV Total Return and Dividends

While the SONIA + 4% benchmark provides a consistent reference point for assessing NAV total return, it has been rarely achieved by the Company in recent years. This reflects both the prevailing market environment and the Company's investment approach, which prioritises income generation and lower asset value volatility over the pursuit of benchmark-matching total returns in all conditions.

Your Company paid four, quarterly interim dividends in respect of the year ended 31 December 2025 at the target annual rate of SONIA plus 4%, calculated by reference to the adjusted opening NAV as at 1 January 2025. These totalled 7.62p per Ordinary Share, which represented a trailing dividend yield of 8.02% on the Ordinary Share price as at 31 December 2025. Dividends paid exceeded the Company's NAV total return, resulting in a small diminution in the NAV over the year.

This outcome reflects the mechanics of the Company's dividend target. The Board's policy is to distribute an annual dividend equivalent to SONIA plus 4%, calculated on the adjusted opening NAV. For 2025, this target translated into total dividends of 7.62p per Ordinary Share. While the portfolio generated a solid NAV total return of 6.21% for the year, this was modestly below the dividend target. As a result, the dividend distribution exceeded the total return generated, leading to a small reduction in the Company's NAV over the period. This dynamic is consistent with the Company's policy, which allows dividends to be paid from capital when appropriate.

Board changes

Three of your directors have served on the board since the Company's IPO in 2018 and we wish to ensure an orderly change over the next two years as we each approach our nine-year term limit. As a result, Barbara Powley has decided not to seek re-election at the AGM in May. She will be sorely missed.

Chairman's statement

Board changes (continued)

I am delighted, however, to say that Christiane Elsenbach joined the board on 26 February 2026. She spent her executive career in structured finance and private credit and serves on several charity boards. I encourage shareholders to come to our AGM, where you will be able to meet her as well as the rest of your board and your portfolio manager.

Barbara Powley's role as Senior Independent Director will be assumed by Jane Routledge, and her role as chair of the Management Engagement Committee will be assumed by Richard Boléat.

Outlook

Markets have been volatile in the past weeks, driven by the Iran conflict, wider geopolitical concerns, the artificial-Intelligence related sell-off in software companies and adverse news around private credit in the US. Perhaps surprisingly, we have not yet seen a sell-off in public credit; and the Company's portfolio has been insulated by its low duration from the effects of interest rate volatility.

The overall portfolio maintains a solid investment-grade profile with only approximately 20% in high-yield credit. The private portion of the portfolio has no direct software exposure, and software-related holdings across the remainder of the portfolio represent less than 2% of the portfolio. The portfolio continues to be invested principally in Europe and the UK with only a small exposure to the US. Recent events are expected to have had an immaterial impact upon the value of the Company's portfolio.

Under these market conditions, and where credit valuations remain stretched, the Investment Manager believes it is more important than ever to maintain a patient and disciplined investment approach. The portfolio is shaped to be a net beneficiary of any future credit spread widening and market volatility and, while this may mean foregoing portfolio greater returns in the short term, in the Investment Manager's opinion it is fundamental to driving strong performance over a longer term investment horizon. Should further market volatility give rise to attractive opportunities, we have access to a £40 million credit facility and a further £40 million invested in daily dealing ABS funds of AAA/AA underlying credit quality, which is ready to be reallocated.

David Simpson
Chairman

27 March 2026

Investment manager's report



Key themes

- Credit looking 'expensive' compared to historically observed levels: deliberately positioning portfolio defensively
- Investing proceeds from share issuances into private assets and high-grade ABS. Invested £28 million Into private assets over the year
- Experienced two unexpected negative credit events in private assets
- Waiting for increased market volatility to enhance portfolio returns

Adam English
M&G Alternatives Investment Management Limited

Market review

Early 2025 was marked by significant volatility and geopolitical uncertainty, driven primarily by the Trump administration's aggressive trade policies. On 2 April, the 'Liberation Day' tariff announcement imposed a 10% baseline tariff on all imports, leading to fears of a global recession and a widening in credit spreads. This window of opportunity to add risk at what we considered more attractive levels was short lived, with tariffs temporarily suspended to allow for bilateral negotiations, which saw credit spreads retrace entirely. Economic growth slowed considerably, reflecting the impact of uncertain global trade policies and fluctuating market conditions. In another notable deviation from traditional policy, Germany announced an historic fiscal package and debt brake change to allow for higher defence and infrastructure spending.

The latter part of the year was largely positive for financial markets. Global stock markets continued to recover from the tariff-induced sell-off as trade tensions subsided, with gains also fuelled by strong corporate earnings, anticipation of Federal Reserve rate cuts, and continued enthusiasm around Artificial Intelligence (AI) and technology innovation. Despite the dramatic shift in trade relations, US growth remained resilient, with tariff-related inflation largely failing to materialise. Longer-term structural obstacles to growth continued to persist in the UK and Europe. Inflation generally cooled across the US, Europe, and UK from post-pandemic highs, driven by falling energy costs and slower goods price increases, though services inflation remained sticky. This allowed central banks to cut interest rates to varying degrees. Policy rate decisions from the Bank of England and Federal Reserve proved to be contested as inflation in the UK and US remained uncomfortably above targets. In spite of macro headwinds, sentiment was constructive to end the year, anchored by expectations of continued policy support and a gradual normalisation of inflation.

Despite the temporary, tariff-induced weakness, both investment grade and high yield credit spreads tightened meaningfully over the course of the year and the technical backdrop in fixed income remained robust. A combination of relatively high bond yields, a benign outlook for inflation, and the likelihood of lower interest rates remained appealing to both income and total return investors. As a result, demand for corporate bonds significantly exceeded supply, which kept volatility contained and credit spreads well-anchored with a bias to tightening.

Portfolio positioning

We entered the year defensively positioned (as we have been for some time on relative value concerns), and our primary focus remained on deploying capital into private assets, investing approximately £28 million across 20 new and existing facilities during the period. We continued to find attractive relative value in Regulatory

Investment manager's report

Portfolio positioning (continued)

Capital transactions and were also pleased to close two investment grade transactions in parts of the private market where we are often less active due to tighter pricing: Infrastructure and Private Placements. Other private transactions saw us allocate additional capital to existing securitisations in the portfolio and transact on a number of Direct Lending opportunities across a broad range of underlying sectors, including air pollution control, hospitality, and packaging solutions. As the Company raised capital via the issue of new Ordinary Shares (as detailed in the Chairman's Statement), we invested proceeds into the M&G European Loan Fund, a cornerstone investment of the portfolio since launch, as well as the M&G Investment Grade ABS Fund, which has an underlying credit quality of AA. In the public market, we invested selectively in new issues where there was still what we considered to be a 'decent' credit spread on offer within the context of very expensive credit markets. Often, what we considered to be more attractive relative value was found by identifying expected survivors in embattled sectors such as UK water (SWS Finance), EU chemicals (Ineos), and Autos (Ford).

We prudently monitor the portfolio for signs of credit stress and have independent internal committees that oversee and approve amendments to private asset pricing where the credit profile of an investment may have changed. During the year, there were valuation adjustments to loans from two different private issuers as a result of internal credit rating downgrades, which are reflected in the Company's latest published NAV. The portfolio currently has exposure to three issuers, amounting to 0.57% of the latest published NAV, which are either in technical default or at some stage of a restructuring process. These assets are already marked-to-market or, in respect of non-public market instruments, reserved against in your Company's latest published NAV.

Outlook

The war in Iran represents the biggest risk to global supply chains since the Covid 19 pandemic, injecting a new and potentially long lasting shock into the global economy and creating heightened volatility in financial markets. Most global equity markets are either flirting with or have breached technical correction territory, however we have not yet seen a sell off in credit. Oil and natural gas prices have borne the brunt of price action, spiking drastically, with the inflationary implications causing a rout in government bond markets – at the time of writing UK 5-year gilts have just reached their highest level since 2008. Given the portfolio's low duration, it has been well-insulated from the direct effects of this interest rate volatility. History suggests that geopolitical shocks very rarely leave a lasting dent on asset prices and are generally followed by rapid market recoveries, which perhaps explains the market's rather sanguine outlook. By comparison, the sell off in both equity and credit post Liberation Day was far sharper and more panicked. In fact, investors have begun to behave as though the war is already approaching its end, despite there being no diplomatic agreement in sight. Equity and credit markets are currently pricing in a short conflict, which makes them particularly vulnerable to a longer term conflict that could trigger a major stagflationary shock.

Some of the current market volatility can also be attributed to concerns about private credit. Sectors with a high percentage of intangible assets have been selling off, driven by fears of Artificial Intelligence ('AI') as a disruptive technology-particularly in software-with credit and loan markets now demanding a risk premium for issuers perceived as being particularly vulnerable. Much of the volatility has been focussed on the US sub investment grade loan market. The majority of our portfolio is held in investment grade quality assets and continues to be invested principally in Europe and the UK, with only a small exposure to the US. The private portion of our portfolio has no direct software exposure,

Investment manager's report

Outlook (continued)

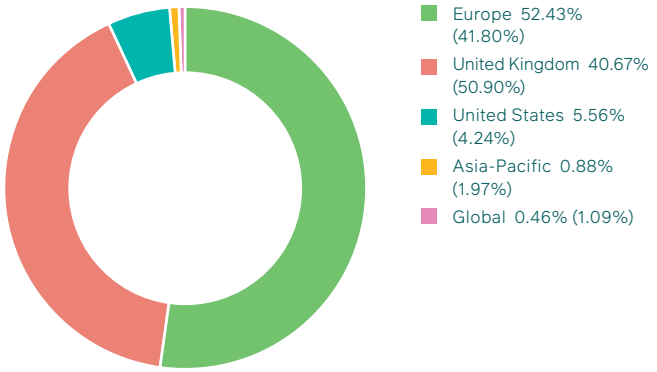
and software related holdings across the remainder of the portfolio represent less than 2% of portfolio value, including the indirect exposure via the M&G European Loan Fund. It is worth noting that credit opportunities frequently arise from sector specific cycles, even within broader economic expansions or periods of stability. For example, during the Commercial Real Estate Cycle (2022–2024), we achieved notable capital gains by investing in heavily discounted REIT debt when shifts in post Covid working trends caused distress in certain property types. Consequently, we view sector-specific weaknesses as potentially offering compelling opportunities to increase portfolio exposure at valuations significantly more attractive than those observed in the recent past.

Despite the global macro volatility and heightened risk environment, credit spreads remain anchored and still screen as expensive when viewed through an historical lens. Investors certainly are not being compensated for the myriad short and medium term uncertainties they must consider, or for the plausible scenario of a sustained energy supply disruption. Given the current market backdrop, we feel it is pertinent to re emphasise once again our investment approach: we allocate capital based on our assessment of relative value, backed by fundamental credit research and in depth analysis provided by a team of over 100 analysts. When we view credit as expensive (ie, spreads are tight-as they remain now), we position the portfolio to be a net beneficiary of any future credit spread widening or market volatility by maintaining a cautious stance and improving overall credit quality. We then remain patient and disciplined as we wait for attractive entry points to take on additional credit risk, which typically occur during periods of macro driven market volatility where dislocations emerge between credit fundamentals and valuations. This strategy has historically benefited portfolio performance. We currently have a significant amount of capital invested in AAA/AA ABS funds ready to be reallocated, as well as a £40 million credit facility, should this period of heightened volatility provide opportunities to add risk and enhance portfolio yield.

M&G Alternatives Investment Management Limited
27 March 2026

Portfolio analysis

Geographical exposure
Percentage of portfolio of investments as at 31 December 2025 (2024)*



* Excluding cash on deposit and derivatives.

Source: M&G and State Street as at 31 December 2025

Credit rating breakdown

As at 31 December	2025 %	2024 %
Unrated	0.27	0.08
Cash and investment grade	78.80	76.40
Sub-investment grade	20.93	23.52
Total	**100.00**	**100.00**

Source: State Street

For the detailed breakdown of the credit ratings of the investment portfolio, please refer to page 103 in note 13 to the Financial Statements.

Portfolio overview

As at 31 December	2025 %	2024 %
Cash on deposit	**3.00**	**0.97**
Public	**50.40**	**46.57**
Asset-backed securities	12.42	24.62
Bonds	14.10	14.50
Investment funds	23.88	7.45
Private	**46.42**	**52.38**
Asset-backed securities	2.34	4.57
Bonds	1.37	2.06
Equities	0.01	–
Investment funds	13.52	11.40
Loans	16.26	23.06
Private placements	1.24	1.25
Subordinated debt	0.08	–
Other	11.60	10.04
Derivatives	**0.18**	**0.08**
Debt derivatives	–	0.05
Forwards	0.18	0.03
Total	**100.00**	**100.00**

Source: State Street

Portfolio analysis

Top 20 holdings

Percentage of portfolio of investments[a] As at 31 December 2025 (2024)	Company description
M&G Investment Grade ABS Fund 18.34% (8.50%)	Open-ended fund managed by M&G which invests primarily in high grade European ABS with on average AA risk. The fund seeks to find value in credits which offer an attractive structure or price for their risk profile. (Public)
M&G European Loan Fund 13.52% (11.40%)	Open-ended fund managed by M&G which invests in leveraged loans issued by, generally, substantial private companies located in the UK and Continental Europe. The fund's objective is to create attractive levels of current income for investors while maintaining relatively low volatility of NAV. (Private)
M&G Senior Asset Backed Credit Fund 5.54% (7.45%)	Open-ended fund managed by M&G investing in a diversified pool of investment grade ABS. In usual market conditions, the fund will invest predominantly in senior tranches of ABS, with 80% expected to be of a credit rating of at least AA– or higher. The latest average credit rating of the underlying portfolio is AAA. The daily dealing fund is used by the Investment Manager as an alternative to holding cash. (Public)
Delamare Finance FRN 1.279% 19/02/2029 2.45% (1.77%)	Floating-rate, senior tranche of a CMBS secured by the sale and leaseback of 33 Tesco superstores and 2 distribution centres. (Public)
Income Contingent Student Loans 14.95% 24/07/2058 1.53% (2.00%)	Floating-rate, junior mezzanine tranche of a portfolio comprised of income contingent repayment student loans originally advanced by the UK Secretary of State for Education. (Public)
Salisbury III Securities FRN 1% 16/06/2027 1.49% (0.93%)	Floating-rate, mezzanine tranche in a regulated capital securitisation where the underlying portfolio is a diversified portfolio of UK small and medium enterprise ('SME') loans originated by Lloyds Bank. (Private)
Serenissima SPV 5.625% 30/06/2036 1.38% (n/a)	Fixed coupon, senior debt in an infrastructure securitisation backed by future receivables payable to the O&M (Operations & Maintenance) contractor for an Italian road project in North-East Italy. (Private)
Totem Aries-7M Incorporated Cell 3.5% 27/01/2034 1.06% (n/a)	Floating-rate, mezzanine tranche in a regulated capital securitisation where the underlying portfolio is Asset Backed Lending and Super Senior Facilities to US corporates. (Private)
Ford Motor Credit 6.184% 29/08/2031 1.05% (n/a)	Fixed-rate bond issued by Ford Motor Credit Company LLC providing automotive financing services through Ford and Lincoln dealerships. (Public)
Project Energy from Waste UK Var. Rate 29/11/2041 1.04% (1.54%)	Floating-rate, senior secured infrastructure loan funding the design, build, maintain, operate and finance contract of a residual waste treatment facility. (Private)
Income Contingent Student Loans 1 2002-2006 FRN 2.76% 24/07/2056 0.98% (1.22%)	Floating-rate, mezzanine tranche of a portfolio comprised of income-contingent repayment student loans originally advanced by the UK Secretary of State for Education. (Public)
Millshaw SAMS No. 1 Var. Rate 15/06/2054 0.94% (1.43%)	Floating-rate, single tranche of an RMBS backed by shared-appreciation mortgages. (Public)
Signet Excipients Var. Rate 28/11/2026 0.93% (1.27%)	Fixed-rate loan secured against 2 large commercial premises in London, currently leased to 2 FTSE listed UK corporations. (Public)

Portfolio analysis

Percentage of portfolio of investments[a] As at 31 December 2025 (2024)	Company description
Atlas 2020 1 Trust Var. Rate 30/09/2050 0.85% (1.19%)	Floating-rate, senior tranche of a bilateral RMBS transaction backed by a pool of Australian equity release mortgages. (Private)
Global Gender Smart Fund 1% 31/12/2028 0.82% (n/a)	Floating rate, senior tranche in a microfinance debt fund backed by DFIs (Development Finance Institutions). (Private)
Whistler Finco 1% 30/11/2028 0.82% (1.10%)	Floating-rate, senior secured term loan lending to an outdoor media infrastructure owner which invests and manages a large billboard portfolio in the UK, Netherlands, Spain, Ireland and Germany. (Private)
STCHB 7 A Var. Rate 25/04/2031 0.81% (1.15%)	Floating-rate, mezzanine tranche in a regulated capital securitisation where the portfolio consists of 36 loans, secured on the undrawn Limited Partner (LP) investor capital commitments. (Private)
NewRiver REIT 3.5% 07/03/2028 0.78% (1.03%)	NewRiver REIT PLC operates as a real estate investment trust investing in retail properties throughout the United Kingdom. Fixed, callable bond. Senior Unsecured. (Public)
The School Board Of Miami Dade County 1% 15/10/2038 0.78% (n/a)	Fixed coupon, senior secured Private Placement note issued by a regional US school board, supported by future payments relating to wireless spectrum licenses leased to a blue-chip tenant. (Private)
Fontwell II Securities 2020 9.2208% 18/12/2028 0.74% (1.01%)	Floating-rate, mezzanine tranche in a regulated capital securitisation where the underlying portfolio is long-term mortgages for farms and rural businesses across the UK. (Private)

[a] Including cash on deposit and derivatives.

Strategic review

The Directors present the Strategic Review of the Company for the year ended 31 December 2025. The Strategic Review aims to provide Shareholders with the information necessary to assess how the Directors have performed their duty to promote the success of the Company during the year under review.

Business and status of the Company

The Company was incorporated on 17 July 2018 and the IPO of the Company's shares took place on 14 November 2018.

The Company is registered in England and Wales as a public limited company and is an investment company within the terms of Section 833 of the Companies Act 2006. The principal activity of the Company is to carry on business as an investment trust.

The Company has been approved by HM Revenue & Customs as an authorised investment trust under Sections 1158 and 1159 of the Corporation Tax Act 2010. In the opinion of the Directors, the Company is directing its affairs so as to enable it to continue to qualify for such approval.

The Company's shares have a listing on the closed-ended investment funds category of the Official List of the FCA and trade on the London Stock Exchange's (LSE) main market for listed securities.

Investment objective

The Company aims to generate a regular and attractive level of income with low asset value volatility.

Investment policy and risk management

The Company seeks to achieve its investment objective by investing in a diversified portfolio of public and private debt and debt-like instruments ('Debt Instruments'). Over the longer term, it is expected that the Company will be mainly invested in private Debt Instruments, which are those instruments not quoted on a stock exchange.

The Company operates an unconstrained investment approach and investments may include, but are not limited to:

- Asset-backed securities, backed by a pool of loans secured on, amongst other things, residential and commercial mortgages, credit card receivables, auto loans, student loans, commercial loans and corporate loans;
- Commercial mortgages;
- Direct lending to small and mid-sized companies, including lease finance and receivables financing;
- Distressed debt opportunities to companies going through a balance sheet restructuring;
- Infrastructure-related debt assets;
- Leveraged loans to private equity owned companies;
- Public Debt Instruments issued by a corporate or sovereign entity which may be liquid or illiquid;
- Private placement debt securities issued by both public and private organisations; and
- Structured credit, including bank regulatory capital trades.

The Company invests primarily in Sterling denominated Debt Instruments. Where the Company invests in assets not denominated in Sterling, it is generally expected that these assets are hedged back to Sterling.

Strategic review

Investment policy and risk management (continued)

Investment restrictions

There are no restrictions, either maximum or minimum, on the Company's exposure to sectors, asset classes or geography. The Company, however, achieves diversification and a spread of risk by adhering to the limits and restrictions set out below.

The Company's portfolio comprises a minimum of 50 investments.

The Company may invest up to 30% of Gross Assets in below investment grade Debt Instruments, which are those instruments rated below BBB- by S&P or Fitch or Baa3 by Moody's or, in the case of unrated Debt Instruments, which have an internal M&G rating of below BBB-.

The following restrictions will also apply at the individual Debt Instrument level which, for the avoidance of doubt, does not apply to investments to which the Company is exposed through collective investment vehicles:

Rating	Secured Debt Instruments (% of Gross Assets)[a]	Unsecured Debt Instruments (% of Gross Assets)
AAA	5%	5%[b]
AA/A	4%	3%
BBB	3%	2%
Below investment grade	2%	1%

[a] Secured Debt Instruments are secured by a first or secondary fixed and/or floating charge.

[b] This limit excludes investments in G7 Sovereign Instruments.

For the purposes of the above investment restrictions, the credit rating of a Debt Instrument is taken to be the rating assigned by S&P, Fitch or Moody's or, in the case of unrated Debt Instruments, an internal rating by M&G. In the case of split ratings by recognised rating agencies, the second highest rating will be used.

The Company typically invests directly, but it also invests indirectly through collective investment vehicles which are expected to be managed or advised by an M&G Entity. The Company may not invest more than 20% of Gross Assets in any one collective investment vehicle and not more than 40% of Gross Assets in collective investment vehicles in aggregate. No more than 10% of Gross Assets may be invested in other investment companies which are listed on the Official List.

Unless otherwise stated, the above investment restrictions are to be applied at the time of investment.

Borrowings

The Company is managed primarily on an ungeared basis although the Company may, from time to time, be geared tactically through the use of borrowings.

Borrowings will principally be used for investment purposes, but may also be used to manage the Company's working capital requirements or to fund market purchases of Shares. Gearing represented by borrowing will not exceed 30% of the Company's Net Asset Value, calculated at the time of draw down, but is typically not expected to exceed 20% of the Company's Net Asset Value.

Hedging and derivatives

The Company will not employ derivatives for investment purposes. Derivatives may however be used for efficient portfolio management, including for currency hedging.

Cash management

The Company may hold cash on deposit and may invest in cash equivalent investments, which may include short-term investments in money market-type funds ('Cash and Cash Equivalents').

There is no restriction on the amount of Cash and Cash Equivalents that the Company may hold and there may be times when it is appropriate for the Company to have a significant Cash and Cash Equivalents position. For the avoidance of doubt, the restrictions set out above in relation to investing in collective investment vehicles do not apply to money market-type funds.

Strategic review

Investment strategy

The Company seeks to achieve its investment objective by investing in a diversified portfolio of public and private debt and debt-like instruments. At least 70% of the portfolio is invested in investment grade assets. The private debt part of the portfolio includes debt instruments, which are primarily Illiquid, floating rate, and typically purchased with the intention to be held to maturity or until prepaid by issuers. Shareholders can expect their returns from these instruments to come primarily from the interest paid by the issuers. The remainder of the portfolio is invested in quoted debt instruments, cash and cash equivalents, which are more liquid and can be traded to capitalise on favourable market conditions. This portion of the portfolio includes fixed-rate instruments, which are typically hedged to protect the portfolio from adverse interest rate fluctuations. Returns from this segment are generated from a combination of Interest income and capital movements, offering a more flexible and opportunistic approach to achieving growth.

Overall, the Company maintains a balanced portfolio of public and private credit, designed to deliver stable income and potential capital gains while managing risk.

Investment process

The investment process for the Company consists principally of three stages: the decision to invest, monitoring and ongoing engagement and finally divestment.

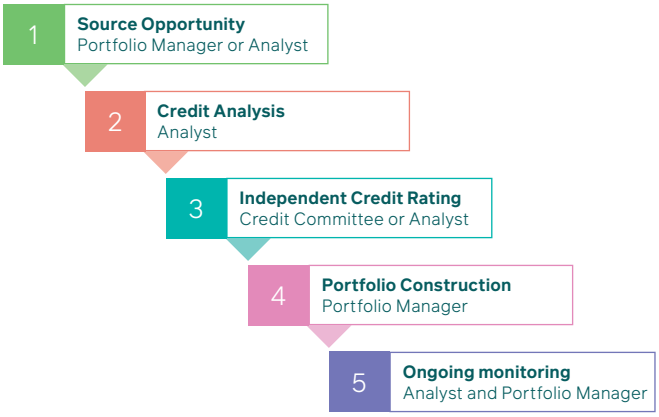
Investment decision-making is undertaken by the Investment Manager, based on extensive research and credit analysis by the Investment Manager's large and experienced teams of more than 100 in-house analysts who specialise in public and private debt markets. This rigorous in-depth analysis is fundamental to understanding the risk and return profile of potential investments.

Regular monitoring is carried out to ensure that continued holding of an investment remains appropriate. This includes monitoring the performance of investments by fund managers, analysts and internal control and governance processes. The Investment Manager engages with relevant stakeholders on any issues which may, potentially, affect an investment's ability to deliver sustainable performance in line with those expectations.

At some point, the Investment Manager may decide to divest from an investment (or the investment may redeem in line with agreed terms, including pre-payment), although typically, private investments are held to their full maturity. Divestment can occur for a variety of reasons including; the investment being no longer suitable for the investment mandate, the outcome of engagement being unsatisfactory or as a result of the investment team's valuation assessment. Investment decision making is only undertaken by the portfolio managers designated by the Investment Manager.

As part of the investment process, consideration is given to sustainability risks, as set out in more detail on pages 35 to 36.

Investment process overview



Dividend Policy

The Investment Manager believes that an annualised total return of SONIA +4% is achievable over the long term. In light of this, the Company targets an annualised dividend yield of SONIA +4% (on the adjusted opening NAV) in respect of each financial year.

The Company may, at the discretion of the Board, pay all or part of any future dividends out of its special distributable reserve created by the cancellation of its

Strategic review

Dividend Policy (continued)

share premium account in 2019, taking into account the Company's investment objective, and where it does so there will be a corresponding reduction in the NAV.

The target dividend is an objective only, is not a profit forecast and is not a guarantee that certain levels of dividends can be achieved or dividend growth maintained nor an indication of the Company's expected or actual future results, which may vary.

Key performance indicators

In order to measure the success of the Company in meeting its objectives and policy, and to evaluate the performance of the Investment Manager, the Directors take into account the following key performance indicators (KPIs):

	As at or year ended 31 December 2025	As at or year ended 31 December 2024
NAV per share	92.91p	95.11p
Ordinary Share price (mid-market)	95.0p	96.6p
Premium to NAV[a]	2.2%	1.6%
Annualised dividend yield[a]	8.0%	8.8%
Dividends declared per Ordinary Share	7.62p	8.53p
Revenue return per Ordinary Share	5.3p	6.0p
NAV total return[a]	6.2%	8.1%
Share price total return[a]	6.7%	14.6%
Ongoing charges figure[a]	1.18%	1.28%

[a] Alternative performance measure. Please see pages 117 to 118 for further information.

Share price discount or premium to NAV

The share price premium to NAV as at 31 December 2025 was 2.2% (31 December 2024: 1.6%). During the year to 31 December 2025 the shares traded at an average premium to NAV of 1.9% (2024: 0.7%).

Dividend yield

The Company paid dividends during the year on a quarterly basis. The fourth dividend of 2.09p per Ordinary Share in respect of the year ended 31 December 2024 was paid on 21 February 2025.

The first interim dividend in respect of the year ended 31 December 2025 of 1.96p per Ordinary Share was paid on 27 May 2025. The second interim dividend of 1.92p per Ordinary Share was paid on 22 August 2025 and the third interim dividend of 1.89p per Ordinary Share was paid on 21 November 2025.

The fourth dividend of 1.85p per Ordinary Share was paid on 20 February 2026. The total dividends declared per share in respect of the year ended 31 December 2025 were 7.62p (year ended 31 December 2024: 8.53p). The total dividends declared for the financial year represented a dividend yield of SONIA plus 4% on the adjusted opening NAV. The annualised dividend yield for the year was 8.0%, based on the closing share price on 31 December 2025 (2024: 8.8%).

Portfolio performance

In support of the Company's investment objective, the Board monitors the portfolio performance against the benchmark of a NAV total return of SONIA plus 4% per annum. In addition, performance is assessed against a number of total return indices in public investment grade and high yield markets.

The progress of deployment of funds into private assets is monitored alongside the balance of fixed to floating rate coupons, yield to maturity and modified duration of the portfolio. Further details are provided in the Chairman's statement on pages 5 to 7 and Investment Manager's report on pages 8 to 10.

Ongoing charges

The Board reviews the costs of running the Company calculated using the Association of Investment Companies' (AIC) methodology for the ongoing charges. Full details are provided on page 117.

Strategic review

Risk management

Role of the Board

The Directors have overall responsibility for risk management and internal control within the Company. They recognise that risk is inherent in the Company's operation and that effective risk management is an important element in the success of the organisation. The Directors have delegated responsibility for the assurance of the risk management process and the review of mitigating controls to the Audit Committee.

The Directors, when setting the risk management strategy, also determine the nature and extent of the significant risks and their risk appetite in implementing this strategy.

In arriving at its judgement of what risks the Company faces, the Board has considered the Company's operations in light of the following factors:

- The nature and extent of risks it regards as acceptable for the Company to bear in line with its overall business objective;
- The threat of such risks becoming reality;
- The Company's ability to reduce the incidence and impact of risk on its performance;
- The cost to the Company and benefits related to the review of risk and associated controls of the Company; and
- The extent to which the third-party service providers operate the relevant controls.

Principal risks

The Company is exposed to a variety of risks that could cause the valuation of its assets and/or the income from the investment portfolio to fluctuate. The Board, through delegation to the Audit Committee, has undertaken a robust assessment and review of the principal and emerging risks facing the Company, including those that would threaten its business model, future performance, solvency or liquidity.

These risks are formally documented in the Company's risk register, so that the risks identified and the controls in place to mitigate those risks can be monitored. The Audit Committee reviews and discusses potential new and emerging risks to the Company including those identified by the Investment Manager. Any new or emerging risks that are identified and that are considered to be of significance are also included in the Company's risk register together with any mitigating actions required.

The Board will continue to assess these risks on an ongoing basis. In relation to the AIC Code of Corporate Governance (the AIC Code), the Board is confident that the procedures that the Company has put in place are sufficient to ensure that the necessary monitoring of risks and controls has been carried out throughout the reporting period.

The key risks identified by the Board, and the associated key mitigants and controls, are set out on the following pages.

Strategic review

Risk management (continued)

Key risk	Key mitigants and controls
Market risk Market risk embodies the potential for both losses and gains and includes foreign currency risk, interest rate risk and market price risk. Market risk mainly arises from uncertainty about future values of financial instruments influenced by price, currency and interest rate movements. It represents the potential gain or loss that the Company may suffer through holding market positions in investments in the face of market movements. Market risk includes the potential impact of events that are outside the Company's control.	Key mitigants and controls are set out in the sub-headings below.
Foreign currency risk Foreign currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company is exposed to risks that the exchange rate of its reporting currency relative to other currencies may change in a manner that has an effect on the value of the portion of the Company's assets which are denominated in currencies other than its own reporting currency.	The Company fully hedges non-base currency investments at time of purchase using spot and forward foreign exchange contracts which are rolled forward periodically. Non-base currency exposure is monitored on an ongoing basis via internal systems, with hedging maintained at approximately +/-20bps tolerance.
Interest rate risk Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's investments are in some cases subject to interest rate risk. In relation to fixed-rate obligations, when interest rates decline, the values can be expected to rise, and, conversely, when interest rates rise, the value of fixed-rate obligations can be expected to decline.	The Company uses gilt futures contracts to mitigate interest rate risk with portfolio duration monitored on an ongoing basis via internal systems and adjusted accordingly. Market conditions since launch have seen the Company maintain an average modified duration of 1-1.5 years. There are no restrictions regarding the level of duration the Company can maintain, although its Investment Objective outlines commitment to low asset value volatility.
Market price risk Market price risk includes changes in market prices, other than those arising from foreign currency or interest rate risk, which may affect the value of investments, such as macroeconomic and geopolitical events and trends, and sectoral influences. As the Company invests in public and private debt instruments, it is regularly exposed to market price risk and the value of the Company's portfolio fluctuates in response to developments in financial markets.	The Board has put in place limits on the Company's gearing, portfolio concentration and use of derivatives, which it believes to be appropriate to keep the Company's investment portfolio adequately diversified and to manage risk.

Strategic review

Risk management (continued)

Key risk (continued)	Key mitigants and controls (continued)
Credit risk Because of its investment strategy, the Company is also materially exposed to credit risk, which is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The main concentration to which the Company is exposed arises from the Company's investments in Debt Instruments. The Company is also exposed to counterparty credit risk on trading derivative products, Cash and Cash Equivalents, amounts due from brokers and other receivable balances.	The Company's policy to manage this risk is to invest no more than 30% of the Company's assets in Debt Instruments that have a minimum credit rating below BBB- (or equivalent). Within the above limit, the Company may also invest in unrated assets where a rating is assigned by the Investment Manager using an internal methodology that is based on the categorisations used by rating agencies. When new investment opportunities arise, a detailed credit review is undertaken by the Investment Manager. A fundamental qualitative and quantitative assessment of both business and financial risk, supported by appropriate financial modelling, alongside a review of the corporate structure and issuance document form the basis of the credit review. On an ongoing basis, the Investment Manager monitors the Company's investments against a variety of measures including financial performance and their progress against a variety of covenants. The Company only transacts with parties that the Investment Manager considers to be suitable from a credit risk perspective.
Investment management performance risk Other than in respect of market risk, the performance of the Company's portfolio of assets depends primarily on the investment strategy, asset allocation and stock selection decisions taken by the Investment Manager within the parameters and constraints imposed by the Company's investment policy.	The Investment Manager applies a 'three lines of defence' model for risk management, incorporating the individual fund manager and line management; independent risk and compliance functions and reporting structures; and internal audit. Measures and tools such as volatility estimation, value at risk analysis and stress testing are used in order to better understand risk concentrations within the portfolio. The Board receives Investment Manager commentary, performance statistics against the benchmark and a portfolio analysis report on a monthly basis. The key performance indicators used by the Board to evaluate the performance of the Investment Manager are shown on page 17. The Board regularly reviews the implementation of the investment strategy, adherence to investment process and adequacy of risk controls.

Strategic review

Risk management (continued)

Key risk (continued)	Key mitigants and controls (continued)
Liquidity risk The Company invests in public and private debt instruments. Some of these investments may be difficult to value or realise (if at all). The market price that is achievable for such investments may ultimately therefore be different than the carrying values of these assets as reflected in the Company's reported NAV per Ordinary Share from time to time.	As the Company is closed-ended, it is not exposed to the same risks of liquidity mismatch that are inherent in the management of portfolios owned by open-ended funds. This enables the Company to invest in assets that have limited or no secondary market liquidity, in order to seek to capture the additional yield that is generally available compared to more liquid instruments. The Board monitors the liquidity profile of the Company's assets on a quarterly basis through the receipt of an asset liquidity analysis from the Investment Manager. Before the Company's AGM in 2028, the Board will submit to Shareholders proposals to enable them to realise the value of their Ordinary Shares unless Shareholders decide otherwise by way of a special resolution. These proposals will inevitably carry with them a prospective portfolio liquidity implication, and this will be fully considered by the Board at the relevant time.
Dividend policy risk The level of dividends that the Board will declare will be dependent largely on the performance of the Company's investment portfolio over time and the market conditions that exist during relevant performance periods. Apart from asset selection and market conditions, factors that may also affect performance include, inter alia, the Company's level of gearing, its accounting policies, changes in variable interest rates, the level of loan or bond prepayments and a change in the tax treatment of the interest received by the Company.	The Investment Manager runs a dividend projection model that is regularly reviewed by the Board.

Strategic review

Risk management (continued)

Key risk (continued)	Key mitigants and controls (continued)
Operational risk (including cybersecurity risk) In common with most other investment trusts, the Company has no executive directors, no executive management and no employees. The Company delegates key operational tasks to third-party service providers that are specialists in their fields as follows: • Management of the Company's investment portfolio to M&G Alternatives Investment Management Limited • Preparation and maintenance of the Company's Financial Statements and maintenance of its records to State Street Bank and Trust Company • Company Secretarial Services to MUFG Corporate Governance Limited • Registrar services to MUFG Corporate Markets • Worldwide custody of the Company's assets to State Street Bank and Trust Company • Safekeeping and depositary services to State Street Trustees Limited Failure by any service provider to carry out its obligations to the Company in accordance with the terms of its appointment could have a materially detrimental impact on the operation of the Company or administration of its investments. The termination of the Company's relationship with any third-party service provider or any delay in appointing a replacement for such service provider could disrupt the business of the Company materially and could have a material adverse effect on the Company's performance.	Due diligence is undertaken before contracts are entered into with third-party service providers. Thereafter, service provider oversight is conducted through ongoing interaction with the Management Engagement and Audit Committees and is formalised through an annual evaluation process, which includes a review of service provider cybersecurity protocols and experience. Most third-party service providers produce internal control reports to provide assurance regarding the effective operation of internal controls as reported on by their reporting accountants. These reports are provided to the Audit Committee for review by the Investment Manager's Supplier Management Team. The Committee seeks further assurance from the service providers if not satisfied with the effectiveness of their control environment. The Audit and Management Engagement Committees also consider the business continuity arrangements of the Company's key service providers and review these as part of the review of the Company's risk register.
Geopolitical risk Geopolitical developments can impact both public and private debt investments. Trade tensions, sanctions, or global or regional conflict could lead to volatile market conditions or affect specific issuers' ability to meet their obligations.	The Company remains vigilant in its monitoring of geopolitical events and their potential effects on market stability and issuer performance.

Strategic review

Risk management (continued)

Key risk (continued)	Key mitigants and controls (continued)
Regulatory, legal and statutory risk: changes in laws, government policy or regulations The Company is subject to laws, government policy and regulations enacted by national and local governments. Any change in the law, regulation or government policy affecting the Company may have a material adverse effect on the value of its investments, its ability to carry on its business and successfully pursue its investment policy and on its earnings and returns to Shareholders. In particular, the Company is required to comply with certain requirements that are applicable to listed closed- ended investment companies, including Section 1158 of the Corporation Tax Act 2010. Any failure to comply may potentially result in a loss of investment trust company status. The Company must comply with the UK Listing Rules, Prospectus Rules, the Disclosure Guidance and Transparency Rules, the Market Abuse Regulation (MAR) and the rules of the London Stock Exchange. Any failure to comply with any future changes to such rules and regulations may result in the shares being suspended from trading on the London Stock Exchange. MAR can be defined as Regulation (EU) No 596/2014 of the European Parliament on market abuse, as incorporated by UK law by the European Union (Withdrawal) Act 2018 and as amended by the Market Abuse (Amendment) (EU Exit) Regulations 2019, otherwise known as the Market Abuse Regulation, or 'MAR'. It requires the Board of the Company to adopt certain processes to ensure that, inter alia, price sensitive information must be, subject to certain exemptions, promptly disclosed to the public via a regulatory news service in order to ensure an orderly market in the Company's shares.	The Company mitigates any such failure by delegating key operational tasks to specialist third-party service providers combined with close oversight and monitoring through the Audit Committee. The Investment Manager monitors investment movements, forecast income and expenditure and the amount of proposed dividends to ensure that the provisions of Chapter 4 of Part 24 of the Corporation Tax Act 2010 are not breached. The results are reported to the Board at each meeting. Compliance with the accounting rules affecting investment trusts is also carefully and regularly monitored. The Company Secretary, Investment Manager and the Company's professional advisers provide regular reports to the Board in respect of compliance with all applicable rules and regulations. The Board and the Investment Manager also monitor changes in government policy and legislation which may have an impact on the Company. The risk to the Company of failure to comply with MAR is mitigated by close Board oversight and monitoring through the compliance function and controls monitoring team at the Investment Manager.
Sustainability risk Sustainability risk means exposure to an environmental, social or governance ('ESG') event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of an investment.	Please refer to the 'Sustainability risk and investment process' section on pages 35 to 36 for further details.

Strategic review

Viability statement

At a General Meeting held on 15 June 2023, the Articles were amended to provide that the next Liquidity Opportunity (as defined in the Glossary on page 121) will now occur at, or within the twelve months prior to, the 2028 annual general meeting unless shareholders direct by way of a special resolution not to offer such Liquidity Opportunity.

The Directors remain confident in the Company's ability to achieve its investment objective. On this basis and notwithstanding the value realisation opportunity in 2028, the Directors have elected to review the viability of the Company for a five-year period. This is linked to the weighted average life of the Debt Instruments in the Company's portfolio.

In assessing the viability of the Company over this five-year period, the Directors have considered the current position of the Company and a number of factors. Most importantly, they have weighed the characteristics of a closed-ended fund and the investment policy of the Company against the principal risks the Company faces as set out in this Strategic Report. The Directors have evaluated scenarios of current and possible future circumstances and the prospects for the Company's portfolio. The Directors regularly review the inputs such as expense and dividend forecasts, ongoing charges, use of the revolving credit facility and investor feedback.

The results of dividend forecasting prepared by the Investment Manager, which models the dividend cover with no further investment pipeline or portfolio capital gains, demonstrated that the Company had the ability to continue to pay dividends from income and distributable reserves at the rate of SONIA plus 4% over the period under review. The Company's distributable reserves provide sufficient capacity for dividend cover, when required, which gives additional comfort for future periods.

The liquidity stress testing methodology considers factors driving both asset liquidity as well as the liabilities the Company may encounter, including the risk of sudden and unexpected liquidity deterioration across all asset types due to broad market dislocation. The results of the liquidity profile, which models the time taken to liquidate the portfolio, along with the liquidity stress testing prepared by the Investment Manager, demonstrated no material concerns regarding the Company's ability to liquidate the portfolio in an orderly manner over a reasonable period of time.

The Directors have assumed that neither the closed-ended structure of the Company, its investment policy nor the risks it faces are likely to change substantially, or for the worse with respect to the viability of the Company, over the five-year period they have selected for the purposes of this viability statement. The Directors have also assumed that the Company will continue to maintain a sufficient level of liquidity and to generate substantial income for the foreseeable future in order to meet its liabilities. As the Directors are ultimately responsible for ensuring that the investment policy of the Company is followed by the Investment Manager, they are confident in making these assumptions about the future of the Company.

The Company is an investment trust, not a trading company, and it invests in a diversified portfolio. As a closed-ended fund, it is not subject to redemptions by Shareholders other than, potentially, the 2028 Liquidity Opportunity.

The Company's portfolio also generates substantial levels of income to meet its expenses, which are largely fixed overheads that represent a small percentage of its net assets. Based on their assessment of the nature of the Company, its investment policy and financial resources, the Directors have a reasonable expectation that the Company will be able to continue in operation in the ordinary course of business and to meet its liabilities as they fall due over the next five years.

Strategic review

Going concern statement

The activities of the Company, together with the factors likely to affect its future development, including its performance, financial position, cash flows and liquidity position, are described elsewhere in the Strategic Report.

In addition, the Company's policies and processes for managing its key financial risks are described in note 13 on pages 98 to 104.

As at 31 December 2025, the Company's total assets less current liabilities were £185.77 million (31 December 2024: £139.99 million) and total current assets less current liabilities were £6.4 million (31 December 2024: £4.7 million). The Directors have reviewed the financial projections of the Company from the date of this report, which shows that the Company will be able to generate sufficient cash flows in order to meet its liabilities as they fall due.

The Directors have reviewed the operational resilience of the key service providers. The Audit Committee and the Management Engagement Committee consider the business continuity arrangements of the Company's key service providers at least annually.

The Directors have considered the liquidity profile stress testing which is described in the Viability Statement on page 24.

As a consequence, the Directors believe that the Company continues to be well placed to manage its business risks successfully. In assessing the going concern basis of accounting, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future and for a period of 12 months from the date of the approval of this Annual Report. The outlook section of the Chairman's statement on page 7 details the expectations for 2026. Accordingly, the Directors continue to adopt the going concern basis in preparing this Annual Report and Accounts.

Investment management and third-party service provider arrangements

The Board has overall responsibility for the Company's activities, including the review of investment activity and performance and the control and supervision of all suppliers of services to the Company, including the Investment Manager. It is also responsible for the determination of the Company's investment policy and strategy and the Company's system of internal and financial controls, including ensuring that commercial risks and financing needs are properly considered and that the obligations of a public limited company are adhered to.

To assist the Board in the operations of the Company, arrangements have been put in place to delegate authority for the performance of day-to-day operations of the Company to the Investment Manager and other third-party service providers. The Board has appointed the Investment Manager to manage the Company's investment portfolio within guidelines set by the Board.

The Investment Manager is in frequent contact with the Board and supplies the Directors with regular updates on the Company's activities and detailed reports at each Board meeting.

Investment Manager

The Company has appointed M&G Alternatives Investment Management Limited (the 'Investment Manager') to act as the Company's Alternative Investment Fund Manager (AIFM) for the purposes of the AIFM Directive and, accordingly, the Investment Manager is responsible for providing discretionary portfolio management and risk management services to the Company.

Strategic review

Investment management and third-party service provider arrangements (continued)

The Investment Management Agreement dated 26 September 2018 is subject to termination on not less than six months' written notice by either party. The Investment Management Agreement can be terminated at any time in the event of the insolvency of the Company or the Investment Manager or in the event that the Investment Manager ceases to be authorised and regulated by the FCA (if required to be so authorised and regulated to continue to carry out its duties under the Investment Management Agreement).

The Investment Manager is entitled to receive from the Company an investment management fee, which is calculated and paid quarterly in arrears at an annual rate of 0.7% per annum of the prevailing published NAV.

Where the Company invests in a collective investment vehicle that is managed or advised by an M&G entity, the Investment Manager reduces its investment management fee by the amount of any equivalent management fee that is charged to such collective investment vehicle or such entity rebates its management fee such that the Investment Manager ensures the Company is not charged twice. The above arrangement does not apply to any other fees or expenses charged to the Company or any such entity in which it invests.

The Investment Manager is also entitled to be paid half of any arrangement fee charged by the Company to the issuer of a Debt Instrument in which the Company invests. The balance of any arrangement fee is retained by the Company.

Continuing appointment of Investment Manager

As at the date of this Report, the Directors are of the opinion that the Investment Manager has satisfactorily executed the Company's investment strategy according to the Board's expectations. Accordingly, the Directors believe that the continuing appointment of M&G Alternatives Investment Management Limited as the Investment Manager of the Company, on the terms agreed, is in the best interests of the Company and its Shareholders as a whole.

Administrator

Under an Administration Agreement dated 26 September 2018, the Company has appointed State Street Bank and Trust Company to act as administrator. The administrator provides day-to-day administration of the Company and is also responsible for the Company's general administrative functions, including the calculation and publication of the NAV and maintenance of the Company's accounting and statutory records.

The Administration Agreement is terminable, inter alia, upon not less than six months' written notice. The Administration Agreement is also terminable immediately upon the occurrence of certain standard events, including the insolvency of the Company or the Administrator or a party committing a material breach of the Administration Agreement (where such breach has not been remedied within 30 calendar days of written notice being given).

Effective from 1 October 2024, the Administrator fee is based on the NAV and tiers as shown below:

Net Asset Value	Annual Basis Point Fee
First £100 million	2.30
Next £100 million to £500 million	1.80
Next £500 million to £1 billion	1.46
Next £1 billion to £5 billion	1.20
Above £5 billion	0.10

Strategic review

Investment management and third-party service provider arrangements (continued)

Depositary

Under a Depositary Agreement dated 26 September 2018, the Company has also appointed State Street Trustees Limited as depositary to provide depositary services to the Company, which will include safekeeping of the assets of the Company. The Depositary is permitted to delegate (and authorise its delegates to sub-delegate) the safekeeping of the assets of the Company.

The State Street Fee is calculated monthly and payable monthly in arrears.

Effective from 1 October 2024, the Depositary fee is based on the NAV and tiers as shown below:

Net Asset Value	Annual Basis Point Fee
First £135 million	1.25
Next £65 million	0.75
Above £200 million	0.50

Custodian

The Depositary has delegated safekeeping duties as set out in the AIFM Directive and the FCA Handbook to State Street Bank & Trust Company, whom it has appointed as global sub-custodian.

Effective from 1 October 2024, the Custodian fee is based on the NAV and tiers as shown below:

Net Asset Value	Annual Basis Point Fee
First £100 million	0.95
Next £100 million to £500 million	0.80
Next £500 million to £1 billion	0.65
Next £1 billion to £5 billion	0.50
Above £5 billion	0.10

Registrar

The Company entered into a Registrar Agreement dated 26 September 2018 with MUFG Corporate Markets (previously Link Group) to provide registrar services in relation to the transfer and settlement of shares.

In May 2024 the Company entered into a new Registrar Agreement with MUFG Corporate Markets. Effective from 1 May 2024, under the terms of the agreement a fixed annual fee of £20,100 (exclusive of VAT) will be payable. The Registrar Agreement is for a period of three years until 30 April 2027 and the fee will increase in line with the Retail Prices Index (RPI) in the third year.

Company Secretary

The Company entered into a Company Secretarial Services Agreement dated 26 September 2018 appointing MUFG Corporate Governance Limited (previously named Link Company Matters Limited) as Company Secretary to provide the company secretarial functions required by the Companies Act.

Following the initial period of 12 months the Company Secretarial Agreement automatically renewed, and continues to renew, for successive periods of 12 months unless or until terminated by either party at the end of any successive 12-month period, provided written notice is given to the other party at least six months prior to the end of such successive 12-month period.

Pursuant to the terms of the Company Secretarial Services Agreement, an annual inflationary increase is applied at the rate of the Retail Prices Index prevailing at the time. With effect from 1 June 2025, the aggregate fee payable was £81,362 (exclusive of VAT).

Strategic review

Section 172 Statement: promoting the success of the Company

Overview

The Directors' overarching duty is to act in good faith and in a way that is the most likely to promote the success of the Company as set out in Section 172 of the Companies Act 2006. In doing so, Directors must take into consideration the interests of the various stakeholders of the Company and the impact the Company has on the community and the environment; take a long-term view on consequences of the decisions they make; and aim to maintain a reputation for high standards of business conduct and fair treatment between the members of the Company.

Fulfilling this duty naturally supports the Company in achieving its investment objective and helps to ensure that decisions are made in a responsible and sustainable way. In accordance with the requirements of the Companies (Miscellaneous Reporting) Regulations 2018, the Company explains how the Directors have discharged their duty under Section 172 below.

To ensure that the Directors are aware of and understand their duties, they are provided with the relevant information as part of their induction, as well as receiving regular and ongoing updates and training on the relevant matters. They also have continued access to the advice and services of the Company Secretary and, when deemed necessary, the Directors can seek independent professional advice.

The schedule of Matters Reserved for the Board, as well as the Terms of Reference of its committees are reviewed on at least an annual basis and further describe the Directors' responsibilities and obligations, and include any statutory and regulatory duties. The Audit Committee has the responsibility for the ongoing review of the Company's risk management systems and internal controls and, to the extent that they are applicable, risks related to the matters set out in Section 172 are included in the Company's risk register and are subject to periodic and regular reviews and monitoring.

Decision-making

The Board considers the impact that any material decision will have on all relevant stakeholders to ensure that it is making a decision that promotes the long-term success of the Company, whether this be in relation to dividends, new investment opportunities, potential future fundraisings or other strategic initiatives.

Stakeholders

The Board seeks to understand the needs and priorities of the Company's stakeholders and these are taken into account during all of its discussions and as part of its decision-making. The Board has considered which parties should be deemed to be stakeholders of the Company. As the Company is an externally managed investment company and does not have any employees or customers, its key stakeholders comprise its Shareholders, regulators (including service party regulators) and service providers. The section on the following page discusses why these stakeholders are considered of importance to the Company and the actions taken to ensure that their interests are taken into account.

Strategic review

Section 172 Statement: promoting the success of the Company (continued)

Importance	Board engagement
Shareholders Continued Shareholder support and engagement are critical to the continued existence of the Company and the successful delivery of its long-term strategy. The Company provides a Liquidity Opportunity* for Shareholders, which will now occur at, or within the twelve months prior to, the 2028 annual general meeting. In all circumstances, the Board will seek to balance the interests of both continuing Shareholders and those electing to realise their investment. * See the Glossary on page 121 for further explanation.	The Company has over 210 Shareholders listed in the Register of Members, including institutional investors and private individuals. The Board is committed to maintaining open channels of communication and to engage with Shareholders in a manner they find most meaningful in order to gain an understanding of their views. These include the channels below. **AGM:** The Company welcomes and encourages attendance and participation from Shareholders at its AGMs where Shareholders will have the opportunity to meet the Directors and the Investment Manager and to address questions to them directly. The Company values any feedback and questions it may receive from Shareholders ahead of and during the AGM and will take action or make changes, when and as appropriate. **Publications:** the Annual Report and Half Year Report are made available on the Company's website and the Annual Report is circulated to Shareholders. This information is supplemented by the monthly calculation and publication of the NAV per share which is announced via the regulatory news service of the London Stock Exchange. In addition, a monthly factsheet and/or a quarterly newsletter is published by the Investment Manager on the Company's website. Feedback and/or questions that the Company receives from Shareholders help the Company evolve its reporting, aiming to render the reports and updates transparent and understandable. **Shareholder meetings:** unlike trading companies, one-to-one Shareholder meetings usually take the form of a meeting with the Investment Manager rather than members of the Board. Feedback from all substantive meetings between the Investment Manager and Shareholders is shared with the Board. During the year there were nine meetings with Shareholders. The Chairman, the Chairman of the Audit Committee or other members of the Board are available to meet with Shareholders to understand their views on governance and the Company's performance where they wish to do so.

Strategic review

Section 172 Statement: promoting the success of the Company (continued)

Importance (continued)	Board engagement (continued)
	Shareholder concerns: in the event that Shareholders wish to raise issues or concerns with the Board, they are welcome to do so at any time by writing to the Chairman at the registered office. The Senior Independent Director is also available as an intermediary to Shareholders. **Investor relations updates:** at every Board meeting, the Directors receive updates from the Company's broker on the share trading activity, share price performance and any Shareholders' feedback, as well as an update from the Investment Manager.
Other stakeholders **The Investment Manager** Holding the Company's shares offers investors a publicly traded investment vehicle through which they can obtain exposure to the Company's diversified portfolio. The Investment Manager's performance is critical for the Company to successfully deliver its investment strategy and meet its objective.	Maintaining a close and constructive working relationship with the Investment Manager is crucial, as the Board and the Investment Manager both aim to continue to achieve consistent, long-term returns in line with the Company's investment objective. Important components in the collaboration with the Investment Manager, representative of the Company's culture include those listed below. • Encouraging open, honest and collaborative discussions at all levels, allowing time and space for original and innovative thinking • Ensuring that the impact on the Investment Manager is fully considered and understood before any business decision is made • Ensuring that any potential conflicts of interest are avoided or managed effectively The Board holds detailed and intensive discussions with the Investment Manager on all key strategic and operational topics on an ongoing basis. In addition to a monthly call their interactions have addressed a range of topics including the dividend and Zero Discount Policy, valuation methodology and credit risk against a background of heightened economic and geopolitical risk during the year. Beyond this, there are regular discussions by email and calls on various operational matters.

Strategic review

Section 172 Statement: promoting the success of the Company (continued)

Importance (continued)	Board engagement (continued)
The Administrator, the Company Secretary, the Registrar, the Depositary, the Custodian and the Broker In order to function as an investment trust with a listing on the closed-ended investment funds category of the official list of the FCA and trade on the London Stock Exchange's (LSE) main market for listed securities, the Company relies on a diverse range of reputable advisors for support in meeting all relevant obligations.	The Board maintains regular contact with its key external providers and receives regular reporting from them through the Board and committee meetings, as well as outside of the regular meeting cycle. Their advice, as well as their needs and views, are routinely taken into account. The Management Engagement Committee formally assesses their performance, fees and continuing appointment at least annually to ensure that the key service providers continue to function at an acceptable level and are appropriately remunerated to deliver the expected level of service. The Audit Committee reviews and evaluates the control environments in place at each service provider and assesses the effectiveness through review of the annual assurance reports from each organisation. This reporting is supplemented by the view of the Investment Manager's Supplier Management Team regarding the control environments in operation at the providers. Interactions take place at least monthly including the approval of the NAV, review of forecasts and management accounts.
Regulators (including third-party service providers' regulators) The Company can only operate with the approval of its regulators and its third-party service providers' regulators who have a legitimate interest in how the Company operates in the market and how it treats its Shareholders.	The Company regularly considers how it meets various regulatory and statutory obligations and follows voluntary and best practice guidance. It also gives full consideration to how any governance decisions it makes can have an impact on its stakeholders, both in the shorter and in the longer term. The Company's service providers provide regular reporting to the Company in respect of their interaction with their own respective regulators.
Lenders Availability of funding and liquidity are crucial to the Company's ability to take advantage of investment opportunities as they arise.	Considering how important the availability of funding is, the Company aims to demonstrate to lenders that it is a well-managed business, and in particular, that the Board focuses regularly and carefully on the management of risk. The Board has worked with the Investment Manager to agree the terms of the Company's revolving credit facility.

Strategic review

Section 172 Statement: promoting the success of the Company (continued)

Importance (continued)	Board engagement (continued)
Institutional investors and proxy advisers The evolving practice and support of the major institutional investors and proxy adviser agencies are important to the Directors, as the Company aims to maintain its reputation for high standards of corporate governance, which contributes to its long-term sustainable success.	Recognising the principles of stewardship, as promoted by the UK Stewardship Code, the Board welcomes engagement with all of its investors. The Board recognises that the views, questions from, and recommendations of many institutional investors and proxy adviser agencies provide a valuable feedback mechanism and play a part in highlighting Shareholders' evolving expectations and concerns. These are important factors for the Board in delivering the Company's strategy.

The above mechanisms for engaging with stakeholders are kept under review by the Directors and will be discussed on a regular basis at Board meetings to ensure that they remain effective.

Examples of the Board's principal decisions taken during the year, and how the Board fulfilled its duties under Section 172 of the Act, and the related engagement activities are set out below.

Principal decision	Long-term impact	Stakeholder considerations and engagement
The Board continued with the implementation of a Zero Discount Policy	Through the implementation of this policy, the Company seeks to ensure that its Ordinary Shares trade close to NAV where possible.	In April 2021 the Board announced the decision to implement a Zero Discount Policy to manage the discount, or premium, to NAV. The Board believes that it is important for Shareholders to be able to benefit appropriately from the Company's investment objective which is to generate a regular and attractive level of income with low asset value volatility. The Company therefore seeks to ensure that the Ordinary Shares trade close to NAV in normal market conditions through a combination of Ordinary Share buybacks and the issue of new Ordinary Shares, or resale of Ordinary Shares held in treasury, where demand exceeds supply. In continuing to implement the Zero Discount Policy during the year, when the Shares have traded at a premium to NAV per Share and to satisfy market demand, the Company has issued 52.7 million new Ordinary Shares.

Strategic review

Section 172 Statement: promoting the success of the Company (continued)

Principal decision (continued)	**Long-term impact** (continued)	**Stakeholder considerations and engagement** (continued)
The Board published a Circular proposing a Share Issuance Programme (the 'Programme') under a Prospectus and any future WRAP Retail Offer, and convened a Second General Meeting to seek authority to issue up to 150 million Ordinary Shares on a non-pre-emptive basis.	The Programme supports the Company's Zero Discount Policy, helping to manage the premium/discount to NAV. The Programme also improves secondary market liquidity for Shareholders, making the Ordinary Shares more attractive to a wider range of investors. The Programme provides greater scale, which continues to enhance the profile of the Company and broadens the Shareholder base.	The Board considered Shareholder approval and the non-pre-emptive nature of the Proposals (in addition to the general allotment authority granted at the 2025 AGM), together with dilution and pricing safeguards (issue price at or above NAV plus a premium to cover costs). The Board also sought advice to ensure compliance with applicable prospectus and listing requirements and confirmed the Investment Manager's ability to deploy additional capital.
The Company renewed the revolving credit facility with State Street Bank International GmbH. During the year, the facility was increased to £40 million, and the term was extended to 12 October 2026. The Board reviewed the annual renewal and agreed that increasing the limit was appropriate given the increased size of the Company.	In line with its approach to balance sheet management, the Company has renewed its agreement for a one-year multicurrency revolving credit facility and increased the committed amount to £40 million, providing greater flexibility to manage liquidity requirements and portfolio commitments.	The Board regularly reviews the Company's cash position and commitments, taking into consideration the impact on Shareholders. The terms of the credit facility with State Street Bank International GmbH contain covenants with which the Company must confirm regular compliance. As at the year end, the Company had no drawings under the credit facility (2024: nil), and the increased £40 million capacity provides enhanced liquidity support without impacting Shareholders through undue financial risk.

Strategic review

Culture

The Directors are of the opinion that establishing and maintaining a healthy corporate culture amongst the Board and in its interaction with the Investment Manager, Shareholders and other stakeholders will support the delivery of its purpose, values and strategy. The Board seeks to promote a culture of openness, transparency and integrity through ongoing dialogue and engagement with its stakeholders, principally the Investment Manager.

The Board strives to ensure that its culture is in line with the Company's purpose, values and strategy and will consider this through its annual evaluation processes. Further information relating to the Company's values is provided in the Corporate Governance Statement on page 47. There are also policies and procedures in place to assist with maintaining a culture of good governance that include those relating to Directors' dealings in the Company's shares, conflicts of interest, bribery and tax evasion.

The Board seeks to appoint appropriate third-party service providers and evaluates their services on a regular basis as described on pages 25 to 27. Their ongoing appointments are not only reflective of their performance by reference to their contractual and service level obligations, but also take into account the extent to which their individual corporate cultures align with those of the Company. The Board considers the culture of the Investment Manager and other stakeholders, including their policies, practices and behaviour, through regular reporting from these stakeholders and in particular during the annual review of the performance and continuing appointment of all service providers.

Employees, human rights and social and community issues

The Board recognises certain requirements under the Companies Act 2006 to detail information about human rights, employees and community issues, including information about any policies it has in relation to these matters and the effectiveness of these policies. These requirements are not in practice applicable to the Company as it has no employees, all the Directors are non-executive and it has outsourced all operational functions to third-party service providers. The Company has therefore not reported further in respect of these provisions.

Under UK Listing Rule 11.4.22(R), the Company, as a closed-ended investment fund, is exempt from complying with the requirements of the Task Force on Climate-related Financial Disclosures as set out in UK Listing Rule 6.6.6(R)(8). However, the Investment Manager publishes TCFD reports in compliance with the FCA's rules on climate-related financial disclosures. The TCFD Report which includes M&G Alternatives Investment Management Limited and the TCFD Company Report for the year ended 31 December 2025 will be published on or before the end of June 2026. The reports for 2024 are available to view via the Sustainability Disclosures page on our website at **mandg.com/footer/sustainability-disclosures**

Board diversity

As at 31 December 2025, the Board of Directors of the Company comprised two male Directors and two female Directors. On 26 February 2026, Christiane Elsenbach (female) was appointed to the Board, and Barbara Powley has indicated her intention to step down from the Board at the upcoming AGM. The Board is an enthusiastic supporter of diversity in its composition, recognising that it brings additional benefits to the Company and its stakeholders beyond specialist skills, knowledge, experience, backgrounds and perspectives. The Board welcomes the FTSE Women Leaders Review regarding the proportion of women on boards and the Parker Review with respect to ethnic representation on boards, amongst other published commentaries. Full details of the Company's compliance with the Financial Conduct Authority's UK Listing Rules on diversity are set out on page 58.

Strategic review

Environmental, social and governance (ESG) issues

The Company has no employees, property or activities other than investments, and the day-to-day management of the Company's investing activities is delegated to the Investment Manager. The Company does not invest with a specific ESG strategy or sustainable objective but complies with the minimum ESG standards covered by the delegated Investment Manager's house policies. Further details are provided in the 'Sustainability risk and investment process' section on pages 35 to 36.

Sustainability risk and investment process

The Board believes that sustainability risk can have a material impact on long-term investment outcomes. Sustainability risk means exposure to an ESG event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of an investment. The Company's goal is to generate the best possible risk adjusted returns for investors, taking into account all factors that influence investment performance, and therefore ESG issues are incorporated into investment decisions wherever they have a potentially meaningful impact on risk or return.

ESG factors themselves are, generally, non-financial considerations that may impact the risk, volatility and long-term return of individual investments, as well as markets as a whole. Individual investments can have both a positive and negative impact on society and the environment.

In certain contexts, ESG factors may be referred to as sustainability factors. Due to the nature of its stated investment strategy, the Company does not seek to actively promote ESG factors and does not seek to maximise portfolio alignment with ESG factors, but it nevertheless remains exposed to sustainability risks.

Impacts on the Company following the occurrence of a sustainability risk event may be numerous and will vary depending on the specific investment risk, geographical region and asset class. In general, where a sustainability risk event occurs in respect of an individual asset, there is the potential for a negative impact on, or an entire loss of, its value.

The following types of sustainability risks have the potential to materially impact the returns of the Company over time:

- Environmental factors, which include, but are not limited to, the ability of investee companies to mitigate and adapt to climate change, the potential for higher carbon prices, exposure to increasing water scarcity and potential for higher water prices, waste management challenges, and impact on global and local ecosystems.
- Social risks, which include, but are not limited to, product safety, supply chain management and labour standards, health and safety and human rights, employee welfare, data & privacy concerns and increasing technological regulation.
- Governance aspects, which include, but are not limited to, board composition and effectiveness, management incentives, management quality, ethnic and gender diversity, and stakeholder alignment.

The potential impacts of sustainability risk events on the Company's portfolio include degradation of issuer cashflow and consequent inability to meet debt servicing obligations, and inability to continue to actively and competitively participate in its chosen markets.

Sustainability risks may also affect the credit quality of an issuer. The Company has exposure to higher-yielding private debt arrangements, which may include debt securities of smaller companies, some of which may be privately owned, and thus may be less transparent in respect of environmental, social and governance and sustainability-related disclosures.

In order to ensure that sustainability risks are properly considered within the investment decision making and risk monitoring processes, to the extent that they represent potential or actual material risks and/or opportunities for maximising long-term risk-adjusted returns, the Investment Manager follows the M&G Investments ESG Integration and Sustainable Investing

Strategic review

Sustainability risk and investment process (continued)

Policy. Other ESG-related policies that will be applied to the relevant investments held by the Company are the M&G Investments Controversial Weapons Policy and the M&G Thermal Coal Investment Policy (Thermal Coal Policy). These policies can be found via the following link:

Responsible Investing at M&G Investments – M&G plc

Effective from 6 February 2026, the Investment Manager has updated its Thermal Coal Investment Policy. A summary of the update can be found **group.mandg.com/thermal-coal-investment-policy-changes**

As signatories to the Principles for Responsible Investment (PRI) and the UK Stewardship Code 2020, the Investment Manager is committed to providing transparency to market participants in relation to its responsible investment activities. The Investment Manager's Annual Stewardship Report **group.mandg.com/mgi/annual-stewardship-report** explains how it adheres to the UK Stewardship Code.

Greenhouse gas emissions

All of the Company's activities are outsourced to third parties. As such it does not have any physical assets, property, employees or operations of its own and does not generate any greenhouse gas or other emissions or consume any energy reportable under the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 or the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018, implementing the UK Government's policy on Streamlined Energy and Carbon Reporting.

Modern slavery

The Company, as an investment vehicle, does not provide goods or services in the normal course of business and does not have customers. The Directors consider that the Company is thus not required to make a slavery or human trafficking statement under the Modern Slavery Act 2015. 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.

Approval

The Strategic Report was approved by the Board at its meeting on 27 March 2026. The Chairman's Statement together with the Investment Manager's Report form part of this Strategic Report.

David Simpson
Chairman

27 March 2026

Directors



David Simpson, Chairman. Appointed as a non-executive Director on 18 September 2018. David Simpson is a qualified solicitor and was a partner at KPMG for 15 years until 2013, culminating as global head of M&A. Before that he spent 15 years in investment banking, latterly at Barclays de Zoete Wedd Ltd. He is a non-executive director of Aberdeen New India Investment Trust plc, of which he will become chairman on 1 April 2026. David graduated from the University of Cambridge with a degree in Economics and Law.



Richard Boléat FCA, Audit Committee Chairman. Appointed as a non-executive Director on 18 September 2018. Richard Boléat is a Fellow of the Institute of Chartered Accountants in England & Wales, having trained with Coopers & Lybrand in Jersey and the United Kingdom. After qualifying in 1986, he worked in the Middle East, Africa and the UK for a number of commercial and financial services groups before returning to Jersey in 1991. He was formerly a Principal of Channel House Financial Services Group from 1996 until its acquisition by Capita Group plc ('Capita') in September 2005. Richard led Capita's financial services client practice in Jersey until September 2007, when he left to establish Governance Partners LLP, an independent corporate governance practice. Alongside his roles at the Company, he currently acts as a non-executive Director and Audit Committee Chairman of Malibu Life Holdings Limited, which is listed on the London Stock Exchange. He is regulated in his personal capacity by the Jersey Financial Services Commission.



Barbara Powley, Senior Independent Director. Appointed as a non-executive Director on 18 September 2018 and Senior Independent Director from 26 April 2023. Barbara Powley is a qualified chartered accountant with over 30 years' experience in the investment trust industry. Prior to her retirement in March 2018 she was a Director in BlackRock's closed-ended funds team from 2005 with responsibility for the oversight and administration of BlackRock's stable of investment trusts. From 1996 to 2005, she had a similar role at Fidelity. Barbara graduated from the University of York with a degree in Mathematics and Economics. Barbara is currently a non-executive Director of Montanaro UK Smaller Companies Investment Trust plc.



Jane Routledge, appointed as a non-executive Director on 25 October 2021. Jane Routledge spent the prior 30 years in marketing & communications roles in the investment management sector, communicating with pension fund, intermediary and private investor audiences. She worked in a number of well known investment management businesses, including Schroders, Invesco, Hermes Fund Managers and Seven Investment Management. Jane is currently a non-executive director of Brown Advisory US Smaller Companies PLC, Aberdeen Asian Income Fund Limited, and CT Private Equity Trust plc. She graduated from the University of Cambridge with a degree in Modern & Medieval Languages, and has a Masters degree in Organisational Psychology from the University of London.

Directors



Christiane Elsenbach, appointed as a non-executive Director on 26 February 2026. Christiane is a non-executive director and former investment professional with over 25 years of experience across global banks and asset managers. She brings deep expertise in structured finance, private credit, governance and the ESG ('Environmental, Social and Governance') sector. A former investment director at Société Générale, she now serves on several UK charity boards and recently supported the successful exit of a digital consumer services startup. She is a Chartered Fellow of the Chartered Institute for Securities & Investments ('CISI') and holds a multiple finance and governance qualifications, including the Chartered Financial Analyst ('CFA') Private Equity and Private Credit Investments certificate.

Directors' report

The Directors are pleased to present the Annual Report and audited Financial Statements for the year ended 31 December 2025.

In accordance with the Companies Act 2006 (as amended), the UK Listing Rules and the Disclosure Guidance and Transparency Rules, the Corporate Governance Statement, Directors' Remuneration Report, Report from the Audit Committee and the Statement of Directors' Responsibilities should be read in conjunction with one another and the Strategic Report. As permitted by legislation, some of the matters normally included in the Directors' Report have instead been included in the Strategic Report, as the Board considers them to be of strategic importance. Therefore, a review of the business of the Company, recent events, outlook and likely future developments can be found on pages 8 to 10 and information regarding environmental, social and governance issues can be found on page 35.

Directors

The Directors in office during the year and at the date of this report are shown on pages 37 to 38 together with their biographical details. None of the Directors or any persons connected with them had a material interest in the transactions and arrangements of, or the agreement with, the Investment Manager during the year.

Results and dividends

A summary of the Company's performance during the year ended 31 December 2025 and the outlook for the forthcoming year is set out in the Strategic Report on pages 8 to 10.

The interim dividends paid for the year ended 31 December 2025 are set out in note 7 to the Financial Statements.

Corporate governance

The Company's Corporate Governance Statement is set out on pages 46 to 59 and forms part of this report.

Investment trust status

The Company has received approval from HM Revenue & Customs (HMRC) as an authorised investment trust under Sections 1158 and 1159 of the Corporation Tax Act 2010, subject to the Company continuing to meet the eligibility conditions. The Directors are of the opinion that the Company has conducted its affairs in compliance with such approval and intends to continue doing so.

Current share capital

As at 31 December 2025 there were 199,943,740 Ordinary Shares in issue. At the date of this report, there are 205,543,740 Ordinary Shares in issue (excluding 250,000 shares held in treasury).

At General Meetings of the Company, Shareholders are entitled to one vote on a show of hands and, on a poll, to one vote for every share held.

The total voting rights of the Company as at 31 December 2025 were 199,943,740.

There are no restrictions concerning the transfer of securities in the Company or on voting rights; no special rights with regard to control attached to securities and no agreements between holders of securities regarding their transfer known to the Company.

Change of Control

There are no agreements to which the Company is party that might be affected by a change of control of the Company except for the agreement in relation to the Company's credit facility. The Company originally entered into a £25 million Facility Agreement with State Street Bank International GmbH on 19 October 2020. This facility has since been increased to £40 million and extended to 12 October 2026. Under the terms of the agreement, the lender may amend or terminate the facility in the event of a change of control of the Company. The facility also includes a covenant that total debt shall not exceed 40% of the Company's adjusted NAV at any time. Further information is disclosed in note 6 to the Financial Statements.

Directors' report

Share issues

From the date of the 2024 AGM on 21 May 2024, there was sustained demand for Ordinary Shares from a wide range of investors, including an increasing number of retail investors. Given the rate of issuance at the time, the Board considered that the authorities granted at the 2024 AGM would be expected to be fully utilised some time in advance of the 2025 AGM. Therefore, to ensure the Company could continue to satisfy investor demand as part of the Company's 'Zero Discount Policy', the Company convened a general meeting on 27 February 2025 (the 'First General Meeting'). At the First General Meeting, the Directors were granted the authority to allot up to 31,002,226 Ordinary Shares on a non-pre-emptive basis. The authority to allot on a non-pre-emptive basis was sought in the form of two separate sets of resolutions, each for 15,501,113 Ordinary Shares. These authorities expired at the Company's AGM on 21 May 2025.

At the Annual General Meeting ('AGM') held on 21 May 2025, Shareholders approved the allotment of up to 17,109,374 Ordinary Shares (representing approximately 10% of the then issued share capital) on a non-pre-emptive basis, such authority to expire at the conclusion of the 2026 AGM.

In order to allow the Company to continue to issue Ordinary Shares to meet market demand and to pursue the Zero Discount Policy, the Company convened another general meeting on 28 July 2025 (the 'Second General Meeting'). At the Second General Meeting, the Directors were additionally granted the authority to allot up to 150,000,000 Ordinary Shares on a non-pre-emptive basis by way of a Share Issuance Programme under the prospectus of the Company published on 29 July 2025 (the 'Prospectus') and any future WRAP Retail Offer. Applications were made to the Financial Conduct Authority and the London Stock Exchange for a block listing of 21,500,000 Shares (the 'Prospectus Block Listing'). The Ordinary Shares may be issued from time to time for cash and in accordance with the Company's share issuance programme as set out in the Prospectus. The Prospectus Block Listing became effective on 1 August 2025. As at 27 March 2026, the Company has a Prospectus Block Listing of 2,750,000 Ordinary Shares, as the balance of an application for the Prospectus Block Listing of 21,500,000 Ordinary Shares listed and admitted to trading on the premium segment of the LSE's Main Market.

As at 27 March 2026, the Company also has a general block listing of 1,553,384 Ordinary Shares, as the balance of an application for a block listing of 23,000,000 Ordinary Shares listed and admitted to trading on the premium segment of the LSE's Main Market on 22 April 2025.

The shares may be issued under the general block listing from time to time for cash and in accordance with the Company's Articles of Association, provided that such issues are made at prices of not less than the prevailing net asset value per share.

During the year ended 31 December 2025, a total of 52,747,969 Ordinary Shares (with a nominal value of £527,480) were issued and, pursuant to the Company's block listing authority, admitted to trading on the LSE's Main Market. These Ordinary Shares were issued to satisfy market demand for the shares and to manage the premium to NAV at which the shares were trading at the time of issuance. In accordance with UK Listing Rule 6.6.1R(6), the details of these share issuances, which were made to Winterflood Securities Limited, the Company's broker, as principal, to facilitate trading in the market between retail investors, institutional investors and discretionary wealth managers, are set out below:

Date	Number of Ordinary Shares of £0.01 each	Aggregate nominal value £	Price per Ordinary Share £	Total amount raised before expenses £
8 January 2025	150,000	1,500	0.96	144,000
15 January 2025	250,000	2,500	0.9625	240,625
17 January 2025	500,000	5,000	0.964	482,000
20 January 2025	1,500,000	15,000	0.964	1,446,000
27 January 2025	1,000,000	10,000	0.966	966,000
6 February 2025	250,000	2,500	0.95	237,500
6 February 2025	750,000	7,500	0.95	712,500
10 February 2025	1,000,000	10,000	0.95	950,000

Directors' report

Share issues (continued)

Date	Number of Ordinary Shares of £0.01 each	Aggregate nominal value £	Price per Ordinary Share £	Total amount raised before expenses £
17 February 2025	750,000	7,500	0.952	714,000
18 February 2025	250,000	2,500	0.952	238,000
7 March 2025	250,000	2,500	0.9525	238,125
1 April 2025	1,000,000	10,000	0.958	958,000
8 April 2025	500,000	5,000	0.9537	476,850
14 April 2025	1,000,000	10,000	0.956	956,000
15 April 2025	500,000	5,000	0.956	478,000
17 April 2025	500,000	5,000	0.956	478,000
23 April 2025	2,000,000	20,000	0.9541	1,908,200
28 April 2025	1,250,000	12,500	0.9548	1,193,500
30 April 2025	1,000,000	10,000	0.956	956,000
30 April 2025	1,000,000	10,000	0.956	956,000
8 May 2025	250,000	2,500	0.94	235,000
9 May 2025	1,000,000	10,000	0.938	938,000
9 May 2025	500,000	5,000	0.938	469,000
19 May 2025	100,000	1,000	0.949	94,900
21 May 2025	100,000	1,000	0.95	95,000
22 May 2025	450,000	4,500	0.95	427,500
23 May 2025	350,000	3,500	0.95	332,500
27 May 2025	1,150,000	11,500	0.951	1,093,650
29 May 2025	1,000,000	10,000	0.951	951,000
30 May 2025	1,000,000	10,000	0.951	951,000
2 June 2025	500,000	5,000	0.953	476,500
5 June 2025	1,000,000	10,000	0.953	953,000
10 June 2025	500,000	5,000	0.956	478,000
12 June 2025	1,000,000	10,000	0.956	956,000
16 June 2025	250,000	2,500	0.956	239,000
18 June 2025	250,000	2,500	0.958	239,500
19 June 2025	750,000	7,500	0.958	718,500
24 June 2025	300,000	3,000	0.958	287,400
27 June 2025	500,000	5,000	0.959	479,500
30 June 2025	600,000	6,000	0.959	575,400
2 July 2025	700,000	7,000	0.961	672,700
7 July 2025	250,000	2,500	0.961	240,250
8 July 2025	550,000	5,500	0.961	528,550
11 July 2025	500,000	5,000	0.961	480,500
15 July 2025	1,000,000	10,000	0.961	961,000
16 July 2025	500,000	5,000	0.961	480,500
18 July 2025	500,000	5,000	0.961	480,500
22 July 2025	500,000	5,000	0.961	480,500
24 July 2025	500,000	5,000	0.961	480,500
28 July 2025	500,000	5,000	0.961	480,500
30 July 2025	750,000	7,500	0.961	720,750
13 August 2025	500,000	5,000	0.944	472,000
18 August 2025	1,500,000	15,000	0.946	1,419,000
29 August 2025	500,000	5,000	0.95	475,000
08 September 2025	1,000,000	10,000	0.952	952,000
10 September 2025	1,000,000	10,000	0.952	952,000
17 September 2025	100,000	1,000	0.952	95,200
23 September 2025	250,000	2,500	0.954	238,500
30 September 2025	250,000	2,500	0.956	239,000
6 October 2025	750,000	7,500	0.956	717,000
7 October 2025	1,000,000	10,000	0.956	956,000
14 October 2025	850,000	8,500	0.956	812,600
17 October 2025	250,000	2,500	0.956	239,000
27 October 2025	100,000	1,000	0.956	95,600
4 November 2025	2,000,000	20,000	0.939	1,878,000
1 December 2025	500,000	5,000	0.944	472,000

Directors' report

Share issues (continued)

Date	Number of Ordinary Shares of £0.01 each	Aggregate nominal value £	Price per Ordinary Share £	Total amount raised before expenses £
5 December 2025	500,000	5,000	0.945	472,500
11 December 2025	100,000	1,000	0.946	94,600
17 December 2025	250,000	2,500	0.946	236,500
18 December 2025	500,000	5,000	0.946	473,000
19 December 2025	1,000,000	10,000	0.947	947,000

As at the date of this report, a further 1,553,384 shares remain under the general block listing.

Full details of the shares capital movements are set out in note 11 to the Financial Statements.

Placing and Retail Offer

On 10 March 2025, the Company announced a placing (the 'Placing') and a retail offer of new Ordinary Shares in the Company. The retail offer was undertaken via the Winterflood Retail Access Platform (the 'WRAP Retail Offer'). On 25 March 2025 the Company issued 6,647,969 new Ordinary Shares, at a price of 95.13p per Ordinary Share. The price per Ordinary Share represented a 1.0% premium to the cum-income NAV per Ordinary Share as at 28 February 2025, being the last published NAV per Ordinary Share as announced on 18 March 2025. Of the 6,647,969 Ordinary Shares issued, 4,384,509 Ordinary Shares were issued pursuant to the Placing and 2,263,460 Ordinary Shares were issued pursuant to the WRAP Retail Offer.

Purchase of own shares

The current authority to repurchase up to 14.99% of the Company's issued share capital to be held in treasury or for cancellation was granted to the Directors on 21 May 2025 and will expire at the conclusion of the 2026 AGM when a resolution for its renewal will be proposed (see page 45 for further information).

On 18 November 2020, the Company announced that it had given instructions to Winterflood Securities Limited ('Winterflood') to purchase the Company's shares pursuant to the authority by Shareholders at the previous AGM. On 30 April 2021, the Company announced its intention to implement a Zero Discount Policy to seek to manage the discount or premium to net asset value and gave instructions to Winterflood to implement the policy on the Board's behalf. During the year ended 31 December 2025, the Company did not buy back any shares (2024: nil) to be held in treasury.

Between the year end and 27 March 2026, being the latest practicable date, the Company repurchased 250,000 Ordinary Shares at a cost of £223,003 to be held in treasury. As at 27 March 2026, these shares represent 0.12% of the issued share capital (excluding treasury shares) with a nominal value of £2,500. These purchases were made in accordance with the Zero Discount Policy.

Substantial shareholdings

The Company has been informed of the following latest notifiable interests[a] in the voting rights of the Company, in accordance with Disclosure Guidance and Transparency Rule 5.1.2, as at 31 December 2025:

	Number of shares held	% of voting rights at 31 December 2025
M&G plc	38,830,132	19.42
Schroders Plc	16,215,986	8.11
Alder Investment Management Limited	7,877,039	3.93

Interests disclosed to the Company occurring between the year end and 27 March 2026, being the latest practicable date:

	Number of shares held[b]	% of voting rights
M&G plc	38,830,132	18.96

[a] Notifications are required where a shareholder reaches the 3% threshold and for every 1% increase or decrease thereafter, subject to certain exemptions. The above holdings may therefore not be wholly accurate statements of the actual Shareholder holdings at 31 December 2025 and the date of this report.

[b] As at date of notification to the Company.

Directors' report

Articles of Association

The Company's Articles of Association may only be amended by a special resolution at a General Meeting of the Shareholders.

Requirements of the listing rules

UK Listing Rule 6.6.1 requires the Company to include certain information in a single identifiable section of the Annual Report or a cross-reference table indicating where the information is set out.

The information required under UK Listing Rule 6.6.1(6) in relation to allotment of shares is set out on pages 40 to 42.

The Directors confirm that there are no additional disclosures to be made in relation to UK Listing Rule 6.6.1.

Directors' indemnity

Under the Company's Articles of Association, the Directors are provided, subject to the provisions of UK legislation and at the discretion of the Board, with an indemnity in respect of liabilities owed to third parties which they may sustain or incur in connection with their appointment. This indemnity was in force during the year and remains in force as at the date of this report. Apart from this, there are no qualifying third-party indemnity provisions or qualifying pension scheme indemnity provisions that would require disclosure.

Auditor

The Directors who held office at the date of approval of the Directors' Report confirm that, so far as they are aware, there is no relevant audit information of which the Company's Auditor is unaware and each Director has taken all the steps that they ought to have taken as a Director to make themselves aware of any relevant audit information and to establish that the Company's Auditor is aware of that information.

BDO LLP has expressed its willingness to continue in office as Auditor of the Company and resolutions for its re-appointment and for the Directors to determine its remuneration will be proposed at the forthcoming AGM.

Financial risk management

As noted on page 25 information about the Company's financial risk management objectives and policies is set out in note 13 to the Financial Statements.

Going concern and viability statement

The going concern statement and viability statement can be found on pages 24 and 25 of the Strategic Report.

Political donations

The Company made no political donations during the year to 31 December 2025 (2024: none).

Directors' and Officers' liability insurance

Directors' and Officers' liability insurance cover is maintained by the Company, at its expense, on behalf of the Directors.

AGM

The Directors are pleased to invite Shareholders to attend the seventh AGM of the Company, at the offices of M&G Alternatives Investment Management Limited.

The Notice of AGM (the 'Notice') to be held on 20 May 2026 is set out on pages 109 to 114. Shareholders are being asked to vote on various items of business as follows:

- The receipt and acceptance of the Strategic Report, Directors' Report, Auditor's Report and the audited Financial Statements for the year ended 31 December 2025

Directors' report

AGM (continued)

- The receipt and approval of the Directors' Remuneration Report
- Approval of the Company's dividend policy
- Approval of the Company's Remuneration Policy
- The election and re-election of Directors
- The re-appointment of BDO LLP as Auditor and the authorisation of the Audit Committee to determine the remuneration of the Auditor
- The authority to allot shares
- The authority for disapplication of pre-emption rights in respect of the shares the Directors are authorised to allot or sell from those held as Treasury Shares
- The purchase of own shares
- The holding of general meetings (other than AGMs) on not less than 14 clear days' notice

The details about the resolutions are provided on pages 109 to 111.

Dividend policy

By way of a resolution granted on 18 September 2018, the Directors are authorised to declare and pay all dividends as interim dividends without the need for the prior approval of the Company's Shareholders. However, regarding Corporate Governance best practices relating to the payment of interim dividends, without Shareholder approval of a final annual dividend, the Board has decided to seek express approval of its dividend policy. The Company's dividend policy remains unchanged to that disclosed in the Prospectus published on 29 July 2025.

Details of the Company's dividend policy, target and explanatory wording are set out within the Strategic Report on pages 16 to 17.

Authority to allot Ordinary Shares and to sell shares from treasury for cash

As explained on page 40, Directors were granted the authority to allot Ordinary Shares and to sell shares from treasury for cash at the AGM on 21 May 2025 and at a subsequent General Meeting, with the existing authorities due to expire at the 2026 AGM. The Board is seeking approval from Shareholders at the forthcoming AGM to authorise the Directors to allot on a non-pre-emptive basis up to 41,108,748 Ordinary Shares equivalent to a nominal amount of £411,087.48, representing approximately 20% of the Company's issued share capital (excluding treasury shares) as at 27 March 2026, or, if different, the number representing 20% of the aggregate nominal value of the Company's issued share capital (excluding treasury shares) as at the date of passing the relevant resolutions. This authority is being sought in the form of two separate sets of resolutions to provide Shareholders with discretion to approve the maximum authority that they see fit for the Company to allot Ordinary Shares on a non-pre-emptive basis. Any Ordinary Shares would be issued at a price of not less than the prevailing NAV per Ordinary Share together with a premium intended to cover the costs and expenses of the issue of Ordinary Shares. If passed, the authorities conferred by Resolutions 11 and 12 will commence on the date of passing the resolutions and expire at the conclusion of the AGM to be held in 2027.

When shares are to be allotted for cash, Section 561 of the Companies Act 2006 provides that existing Shareholders have pre-emption rights and that the new shares must be offered first to such shareholders in proportion to their existing holding of shares. However, Shareholders can, by special resolution, authorise the Directors to allot shares otherwise than by a pro rata issue to existing Shareholders. Resolutions 13 and 14, special resolutions, are being proposed to authorise the Directors to issue Ordinary Shares for cash and by way of a sale of Treasury Shares and to disapply the pre-emption rights of existing Shareholders in relation to issues of Ordinary Shares under Resolutions 11 and 12

Directors' report

Authority to allot Ordinary Shares and to sell shares from treasury for cash (continued)

respectively (each being in respect of up to 10% of the Company's issued share capital as at the date of the Notice), as if Section 561 does not apply. As noted above, Shares would only be issued at a price at or above the prevailing NAV per share. As at the date of the Notice, the Company does not hold any shares in treasury. If passed, the authorities conferred by Resolutions 13 and 14 will commence on the date of passing the resolutions and expire at the conclusion of the AGM to be held in 2027.

Purchase of own shares

Resolution 15, a special resolution, will renew the Company's authority to make market purchases of up to 30,811,006 Ordinary Shares (being 14.99% of the issued share capital as at the date of the Notice, excluding any treasury shares, or, if changed, 14.99% of the issued share capital, excluding any treasury shares, immediately following the passing of the resolution), either for cancellation or placing into treasury at the determination of the Directors. Purchases of Ordinary Shares will be made within guidelines established from time to time by the Board. Any purchase of Ordinary Shares would be made only out of the available cash resources of the Company.

The maximum price which may be paid for an Ordinary Share must not be more than the higher of (i) 5.0% above the average of the mid-market value of the Ordinary Shares for the five business days before the purchase is made, or (ii) the higher of the price of the last independent trade and the highest current independent bid for the Ordinary Shares. The minimum price which may be paid is £0.01 per Ordinary Share.

This authority, if approved by Shareholders, will expire at the AGM to be held in 2027, when a resolution for its renewal will be proposed.

Notice period for General Meetings

In terms of the Companies Act 2006, the notice period for General Meetings (other than an AGM) is 21 clear days' notice unless the Company: (i) has gained shareholder approval for the holding of General Meetings on 14 clear days' notice by passing a special resolution at the most recent AGM; and (ii) offers the facility for all Shareholders to vote by electronic means.

The Company would like to preserve its ability to call General Meetings (other than an AGM) on less than 21 clear days' notice. The shorter notice period proposed by Resolution 16, a special resolution, would not be used as a matter of routine, but only where the flexibility is merited by the business of the meeting and is thought to be in the interests of Shareholders as a whole. The approval will be effective until the date of the AGM to be held in 2027, when it is intended that a similar resolution will be proposed.

Directors' recommendation

The Directors consider each resolution being proposed at the AGM to be in the best interests of the Company and Shareholders as a whole and they unanimously recommend that all Shareholders vote in favour of them, as they intend to do in respect of their own beneficial shareholdings.

By order of the Board

MUFG Corporate Governance Limited
Company Secretary

27 March 2026

Corporate governance statement

Introduction

The Directors recognise the importance of strong corporate governance and acknowledge that they are ultimately accountable to the Company and its Shareholders for the governance of the Company's affairs.

The UK Listing Rules and the Disclosure Guidance and Transparency Rules (Disclosure Rules) of the FCA require listed companies to disclose how they have adhered to the principles and followed the recommended provisions of the corporate governance code to which the issuer is subject.

In respect of the year under review, the Board has considered the Principles and Provisions of the AIC Code of Corporate Governance (the AIC Code), published In August 2024. The AIC Code addresses the Principles and Provisions set out in the UK Corporate Governance Code (the UK Code) issued by the Financial Reporting Council (FRC), as well as setting out additional principles and recommendations on issues that are of specific relevance to investment trusts.

The Board notes the recent update to the AIC Code, which reflects revisions to the UK Corporate Governance Code, including amendments to Provision 29 relating to the monitoring and review of risk management and internal control. The Board is aware of these developments and will take them into account when considering future governance disclosures.

The Board considers that reporting against the Principles and Provisions of the AIC Code, which has been endorsed by the FRC, provides more relevant information to Shareholders than the UK Code. The terms of the FRC's endorsement mean that AIC members who report against the AIC Code fully meet their obligations under the UK Code and the related disclosure requirements contained in the UK Listing Rules. The AIC Code is available on the AIC website (**theaic.co.uk**). It includes an explanation of how the AIC Code adapts the Principles and Provisions set out in the UK Code to make them relevant for investment companies. The UK Code can be viewed at **frc.org.uk**

Throughout the year ended 31 December 2025, the Company has complied with the principles and provisions of the AIC Code which incorporates the UK Code. However, it should be noted that the UK Code includes provisions relating to the role of the chief executive, executive directors' remuneration and the need for an internal audit function and for the reasons set out in the AIC Guide, the Board considers that these provisions are not relevant to the Company, being an externally managed investment company. In particular, all of the Company's day-to-day management and administrative functions are outsourced to third parties. As a result, the Company has no executive Directors, employees or internal operations and has therefore not reported further in respect of these provisions.

The Principles of the AIC Code

The AIC Code is made up of 17 principles split into five sections:

- Board leadership and purpose
- Division of responsibilities
- Composition, succession and evaluation
- Audit, risk and internal control
- Remuneration

Corporate governance statement

The Principles of the AIC Code (continued)

AIC Code Principle	Compliance statement
Board leadership and purpose	
A. A successful company is led by an effective board, whose role is to promote the long-term sustainable success of the Company, generating value for shareholders and contributing to wider society.	The Board considers the Company's long-term sustainable success as its main focus and all decisions are considered from this point of view. As outlined below, the Company is run with a very clear culture and values which are embedded into everything the Company does. As part of this the opportunities and risks faced by the business are considered, monitored and assessed on a regular basis, both in terms of potential and emerging risks that the business may face. More detail regarding the principal risks and the sustainability of the Company's business model can be found in the Strategic Report on pages 18 to 23. In addition, the Company, through the Investment Manager, has a strong, long-term commitment to a responsible investment methodology, which expressly considers the interests of wider society within the Investment Manager's investment processes. Details can be found on pages 35 to 36 of the Strategic Report.
B. The Board should establish the Company's purpose, values and strategy, and satisfy itself that these and its culture are aligned. All directors must act with integrity, lead by example and promote the desired culture.	The purpose of the Company is the investment objective which is to generate a regular and attractive level of income with low asset value volatility. It seeks to do this by investing in a diversified portfolio of public and private debt and debt-like instruments. Over the longer term, it is expected that the Company will be mainly invested in private debt instruments. This part of the portfolio will generally include Debt Instruments which are nominally quoted but are generally illiquid. The strategy that the Board follows in order to execute this is outlined in the Strategic Report on pages 5 to 10. More detail regarding how the Company considers the long-term sustainable success of the Company can be found in the Section 172 statement on pages 28 to 33. The Board adopts key values that are embedded in the culture of the business and are important to any investment decision made by the Company. These values and culture also drive how the Board and its relationship with the Investment Manager proceed. These are to: • Invest in a manner consistent with the PRI Principles; • Ensure all business decisions are made once all potential impacts on relevant stakeholders are fully understood; • Encourage open, honest and collaborative discussions at all levels in Board meetings, with Shareholders and with other stakeholders; and • Seek to avoid or manage any potential conflicts of interest. The values and culture of the business are considered as part of the annual board evaluation process to ensure that they remain a key focus that all decisions are based on.

Corporate governance statement

The Principles of the AIC Code (continued)

AIC Code Principle (continued)	**Compliance statement** (continued)
C. The Board should ensure that the necessary resources are in place for the Company to meet its objectives and measure performance against them. The Board should also establish a framework of prudent and effective controls, which enable risk to be assessed and managed.	The Board and the Management Engagement Committee regularly review the performance of the Company and the performance and resources of the Investment Manager to ensure that the Company can continue to meet its investment objective. The Board assesses the performance of the Investment Manager in a number of different ways, including through the KPIs. The Audit Committee is responsible for assessing and managing risks and further information about how this is done can be found in the Report of the Audit Committee on pages 66 to 69.
D. In order for the Company to meet its responsibilities to shareholders and stakeholders, the Board should ensure effective engagement with, and encourage participation from, these parties.	The Board understands its responsibilities to Shareholders and other stakeholders and considers the expressed opinions of all such parties when making any material decision. The Board considers that, other than Shareholders, their other key stakeholders are their third-party service providers and the Investment Manager in particular. The Management Engagement Committee considers the relationship with all third-party service providers on at least an annual basis and there is an ongoing dialogue with the Investment Manager to ensure views are aligned. More information regarding how the Board engages with stakeholders and considers the impact that any material decision will have on relevant stakeholders can be found in the Section 172 statement on pages 28 to 33. Representatives of the Investment Manager regularly meet institutional investors to discuss strategy and to understand their issues and concerns and, if applicable, to discuss corporate governance issues. The results of such meetings are reported at the following Board meeting. Regular reports on investor sentiment and industry issues from the Company's broker are submitted to the Board. Any substantive communications regarding major corporate issues would be discussed by the Board taking into account representations from the Investment Manager, the auditor, legal advisers, the broker and the Company Secretary.

Corporate governance statement

The Principles of the AIC Code (continued)

AIC Code Principle (continued)	Compliance statement (continued)
Division of responsibilities	
F. The chair leads the Board and is responsible for its overall effectiveness in directing the Company. They should demonstrate objective judgement throughout their tenure and promote a culture of openness and debate. In addition, the chair facilitates constructive board relations and the effective contribution of all non-executive directors, and ensures that directors receive accurate, timely and clear information.	There is a clear division of responsibility between the Chairman, the Directors, the Investment Manager and the Company's other third-party service providers. The Chairman is responsible for leading the Board, ensuring its effectiveness in all aspects of its role and is responsible for ensuring that all Directors receive accurate, timely and clear information. The Board meets regularly throughout the year and representatives of the Investment Manager are in attendance, when appropriate, at each meeting and most Committee meetings. The Board has agreed a schedule of matters specifically reserved for decision by the Board. This includes establishing the investment objective, strategy and benchmarks, the permitted types or categories of investment, the markets in which transactions may be undertaken, the level of permitted gearing and borrowings, the amount or proportion of the assets that may be invested in any category of investment or in any one investment, and the Company's treasury and share buyback policies. The Board, at its regular meetings, undertakes reviews of key investment and financial data, revenue projections and expenses, analyses of asset allocation, transactions and performance comparisons, share price and net asset value performance, gearing, marketing and shareholder communication strategies, the risks associated with pursuing the investment strategy and industry issues. The review of the performance of the Chairman was carried out during the year by Barbara Powley as Senior Independent Director. It was concluded that the Directors believed the Chairman encouraged good debate, ensured all Directors were involved in discussions and that the Board as a whole was working well.

Corporate governance statement

The Principles of the AIC Code (continued)

AIC Code Principle (continued)	Compliance statement (continued)
G. The Board should consist of an appropriate combination of directors (and, in particular, independent non-executive directors) such that no one individual or small group of individuals dominates the Board's decision making.	All of the Directors are non-executive and are independent of the Investment Manager and the other service providers. A majority of the Board will at all times be independent of the Investment Manager. The Chairman, David Simpson, was independent of the Investment Manager at the time of his appointment and remains so. Each Director is not a director of another investment company managed by the Company's Investment Manager, nor has any Board member been an employee of the Company or any of its service providers. The Board evaluation concluded that each Director provides a valuable contribution to Board meeting discussions and exercises appropriate levels of challenge and debate.
H. Non-executive directors should have sufficient time to meet their board responsibilities. They should provide constructive challenge, strategic guidance, offer specialist advice and hold third-party service providers to account.	As part of the Board evaluation process, the contributions of each Director, as well as the time commitments made by each board member are considered and reviewed. Directors' other commitments are regularly reviewed and any new appointments are considered by the other Directors to ensure there is no conflict of interest or risk of overboarding. As explained above, it was concluded that each Director provided appropriate levels of challenge and provided the Company and the Investment Manager with guidance and advice when required. The Management Engagement Committee reviews the performance and cost of the Company's third-party service providers on an annual basis. More information regarding the work of the Management Engagement Committee can be found on pages 56 to 57.
I. The Board, supported by the Company Secretary, should ensure that it has the policies, processes, information, time and resources it needs in order to function effectively and efficiently.	The Directors have access to the advice and services of the Company Secretary through its appointed representative who is responsible to the Board for ensuring that Board procedures are followed and that applicable rules and regulations are complied with. The Company Secretary is also responsible for ensuring good information flows between all parties.

Corporate governance statement

The Principles of the AIC Code (continued)

AIC Code Principle (continued)	**Compliance statement** (continued)
Composition, succession and evaluation	
J. Appointments to the Board should be subject to a formal, rigorous and transparent procedure, and an effective succession plan should be maintained. Both appointments and succession plans should be based on merit and objective criteria and, within this context, should promote diversity of gender, social and ethnic backgrounds, cognitive and personal strengths.	The Board has established a Nomination Committee, comprising all the independent Directors. This Committee will lead the appointment process of new Directors as and when vacancies arise and as part of the Directors' ongoing succession plans. More information regarding the work of the Nomination Committee can be found on pages 57 to 58. The Board has adopted a diversity policy, as set out on page 34, which acknowledges the benefits of greater diversity and remains committed to ensuring that the Company's Directors bring a wide range of skills, knowledge, experience, backgrounds and perspectives to the Board. Whilst the Board does not feel that it would be appropriate to set targets as all appointments are made on merit, the following objectives for the appointment of Directors have been established: • All Board appointments will be made on merit, in the context of the skills, knowledge and experience that are needed for the Board to be effective. • Long lists of potential non-executive Directors should include diverse candidates of appropriate merit. The Company is committed to ensuring that any board vacancies are filled by the most qualified candidates. Further information on the Board's most recent appointment and recruitment process can be found on page 57.

Corporate governance statement

The Principles of the AIC Code (continued)

AIC Code Principle (continued)	**Compliance statement** (continued)
K. The Board and its committees should have a combination of skills, experience and knowledge. Consideration should be given to the length of service of the Board as a whole and membership regularly refreshed.	The Directors' biographical details are set out on pages 37 to 38 of this Report. These demonstrate the wide range of skills and experience that they bring to the Board. The Board carried out a skills audit during the year and will continue to do so on an annual basis concurrently with the Board evaluation. The Board has adopted a Tenure Policy for all Directors, including the Chairman, which states that the Board believes that it is an advantage to have the continuous contribution of Directors over a period of time during which they are able to develop awareness and insight of the Company and thereby be able to make a valuable contribution to the Board as a whole. The Board believes that recommendations for re-election should be on an individual basis following a rigorous review which assesses the contribution made by the Director concerned, and takes into account the need for regular refreshment and diversity. The Board believes that it is appropriate for a Director to serve for up to nine years following their initial election, and it is expected that Directors will stand down from the board by the conclusion of the AGM following that period.
L. Annual evaluation of the Board should consider its composition, diversity and how effectively members work together to achieve objectives. Individual evaluation should demonstrate whether each director continues to contribute effectively.	The Board has agreed to evaluate its own performance and that of its Committees, Chairman and Directors on an annual basis. For the year under review this was carried out by way of a questionnaire and subsequent individual discussions. The Chairman led the assessment, which covered the functioning of the Board as a whole, the effectiveness of the Board Committees and the independence and contribution made by each Director. The Chairman discussed the responses with each Director individually. The Chairman absented himself from the Board's review of his effectiveness as the Company Chairman, and this review was led by Barbara Powley, the Senior Independent Director. Following this review, the Board is satisfied that the structure, mix of skills and operation of the Board is effective and relevant for the Company. The individual performance of each Director standing for re-election has been evaluated and it is recommended that Shareholders vote in favour of their election at the AGM. Ms Routledge and Messrs Boléat and Simpson will submit themselves for re-election by Shareholders at the forthcoming Annual General Meeting. Ms Elsenbach will offer herself for election. Mrs Powley will not be standing for re-election in line with the Board's succession planning. More information regarding the proposed re-election of each Director can be found on page 109.

Corporate governance statement

The Principles of the AIC Code (continued)

AIC Code Principle (continued)	**Compliance statement** (continued)
Audit, risk and internal control	
M. The Board should establish formal and transparent policies and procedures to ensure the independence and effectiveness of external audit functions and satisfy itself on the integrity of financial and narrative statements.	The Audit Committee has put in place a non-audit services policy, which ensures that any work outside the scope of the standard audit work requires prior approval by the Audit Committee. This enables the Committee to ensure that the external auditors remain fully independent. In addition, the Audit Committee carries out a review of the performance of the external auditor on an annual basis. Feedback from other third parties, including the Investment Manager, is included as part of this assessment to ensure the Audit Committee takes into account the views of different parties who have a close working relationship with the external auditor. The Audit Committee considers the output from the FRC audit quality reviews in relation to the external auditor to ensure that any matters of concern are identified and discussed. Further information regarding the work of the Audit Committee can be found on pages 66 to 69.

Corporate governance statement

The Principles of the AIC Code (continued)

AIC Code Principle (continued)	**Compliance statement** (continued)
N. The Board should present a fair, balanced and understandable assessment of the Company's position and prospects.	The Audit Committee has considered the Annual Report and Accounts as a whole and believes that the document presents a fair, balanced and understandable assessment of the Company's position and prospects. In particular, the Committee has considered the language used in the document to ensure technical terminology is avoided to the extent possible, or where used it is suitably explained.
O. The Board should establish procedures to manage risk, oversee the internal control framework, and determine the nature and extent of the principal risks the Company is willing to take in order to achieve its long-term strategic objectives.	The Audit Committee reviews reports from the principal service providers on compliance and the internal and financial control systems in operation and relevant independent audit reports thereon. The Audit Committee has carried out a review of the effectiveness of the Company's systems of internal control as they have operated during the year under review and up to the date of approval of the Annual Report. Given the nature of the business, the Company is reliant on its service providers and their internal controls. The Audit Committee reviews the Investment Manager's and Administrator's compliance and control systems in operation insofar as they relate to the affairs of the Company. As set out in more detail in the Report of the Audit Committee on pages 66 to 69, the Company has in place a detailed system for assessing the adequacy of those controls. The Audit Committee's internal control oversight focus is described in more detail in the Report of the Audit Committee on pages 68 to 69.

Corporate governance statement

The Principles of the AIC Code (continued)

AIC Code Principle (continued)	Compliance statement (continued)
Remuneration	
P. Remuneration policies and practices should be designed to support strategy and promote long-term sustainable success.	As outlined in the Remuneration Report on pages 60 to 65, the Company follows the recommendation of the AIC Code that non-executive Directors' remuneration should reflect the time commitment and responsibilities of the role. The Company's policy is that the remuneration of non-executive Directors should reflect the experience of the Board as a whole and be determined with reference to comparable organisations and appointments. Directors are not eligible for bonuses, share options, long-term incentive schemes or other performance related benefits as the Board does not believe that this is appropriate for non-executive Directors. The Remuneration Policy is therefore designed to attract and retain high quality Directors, whilst ensuring that Directors remain focused and incentivised to promote the long-term sustainable success of the Company. As at the date of this Report, all Directors, with the exception of Ms Elsenbach, own shares in the Company. All shares were purchased in the open market and using the Directors' own resources. Directors' fees were initially set at the time of the Company's IPO. The Remuneration Committee annually reviews the fees paid to the Directors and compares these with the investment trust industry generally, taking into account the time commitment and responsibility of each Board member. More information regarding the work of the Remuneration Committee can be found in the Remuneration Report on page 60.
Q. A formal and transparent procedure for developing policy on remuneration should be established. No director should be involved in deciding their own remuneration outcome.	The Remuneration Policy has been developed with reference to comparable organisations and appointments. There is an agreed fee which all non-executive Directors receive (irrespective of experience or tenure) and an additional fee for the role of Audit Committee Chairman. There is also an agreed fee for the role of Chairman. Any changes to the Chairman's fee are considered by the Remuneration Committee as a whole, with the exception of the Chairman who excuses himself from this part of the meeting.

Corporate governance statement

The Principles of the AIC Code (continued)

AIC Code Principle (continued)	Compliance statement (continued)
R. Directors should exercise independent judgement and discretion when authorising remuneration outcomes, taking account of company and individual performance, and wider circumstances.	Any decision with regard to remuneration is taken after considering the performance of the Company and the current market conditions. The Remuneration Committee has no current intention to change the Remuneration Policy, as approved by Shareholders at the 2023 Annual General Meeting, for the foreseeable future. The unchanged Remuneration Policy is due for approval at the 2026 Annual General Meeting. If any significant changes to the Remuneration Policy were to be considered, the Remuneration Committee would consult with Shareholders and seek external advice before proposing any such changes. For any changes to be effective the Remuneration Policy would be proposed for approval at a General Meeting, if necessary outside of the statutory requirement to seek shareholder consent to the Remuneration Policy on a triennial basis.

Board Committees

The Board has agreed a schedule of matters specifically reserved for decision by the full Board, subject to which the Board has delegated specific duties to Committees of the Board which operate within written terms of reference. MUFG Corporate Governance Limited acts as Company Secretary to each Committee. No persons other than the Committee members are entitled to attend Committee meetings unless formally invited by the Committee. Copies of the terms of reference for Board Committees are available from the Company Secretary and on the Company's website.

The Board has also adopted a procedure for Directors, in the furtherance of their duties, to take independent professional advice at the expense of the Company.

Audit Committee

The Company's Audit Committee consists of David Simpson, Barbara Powley, Jane Routledge and is chaired by Richard Boléat. Post year end, on 26 February 2026, Christiane Elsenbach joined the Board and the Audit Committee. The Audit Committee meets at least four times a year. As David Simpson was independent on appointment and provides significant input into Audit Committee meetings, the Directors believe it is appropriate for him to be a member of the Audit Committee, despite his role as Chairman of the Board. In particular, the Board considers that the Audit Committee as a whole has competence relevant to the sector and the Board is satisfied that at least one member of the Audit Committee has recent and relevant financial experience. The Board considers that the members of the Audit Committee have the requisite skills and experience to fulfil the responsibilities of the Audit Committee. The Audit Committee examines the effectiveness of the Company's control systems. It reviews the Half Year and Annual Reports and also receives information from the Investment Manager. It reviews the scope, results, cost effectiveness, independence and objectivity of the external auditor.

The Audit Committee has set out a formal Report on pages 66 to 69 of the Annual Report.

Management Engagement Committee

The Company's Management Engagement Committee consists of David Simpson, Richard Boléat, Jane Routledge and is chaired by Barbara Powley. Post year end, on 26 February 2026, Christiane Elsenbach joined the Board and the Management Engagement Committee. The Management Engagement Committee meets at least once a year or more often if required. Its

Corporate governance statement

Management Engagement Committee (continued)

principal duties are to consider the terms of appointment of the Investment Manager and other service providers and it will annually review those appointments and the terms of engagement.

The Committee considers the quality, cost and remuneration method of the service provided by the Investment Manager against its contractual obligations and the Board receives regular reports on compliance with the Investment Restrictions it has set. It also considers the performance analysis provided by the Investment Manager.

The Management Engagement Committee also reviews the arrangements with, and the services provided by, the Custodian to ensure that the safeguarding of the Company's assets and security of the Shareholders' investment is being maintained.

The Management Engagement Committee will review, at least annually, the performance of all of the Company's third-party service providers, including the level and structure of fees payable and the length of the notice period, to ensure that they remain competitive and in the best interests of Shareholders.

The Management Engagement Committee met once during the year ended 31 December 2025. In discharging its duties the Committee considered:

- The performance and terms of engagement of the service providers during the year; and
- The performance and continuing appointment of the Investment Manager, for further detail please see page 26.

Nomination Committee

The Company's Nomination Committee consists of Richard Boléat, Barbara Powley and Jane Routledge and is chaired by David Simpson. Post year end, on 26 February 2026, Christiane Elsenbach joined the Board and the Nomination Committee. The Nomination Committee meets at least once a year or more often if required. Its principal duties are to advise the Board on succession planning bearing in mind the balance of skills, knowledge and experience existing on the Board and will make recommendations to the Board in this regard. The Nomination Committee advises the Board on its balance of relevant skills, experience, gender, race, ages and length of service of the Directors serving on the Board. All appointments to the Board will be made in a formal and transparent matter. The Committee considered and engaged the services of Tyzack Partners, an external search consultancy, in the search for an additional non-executive Director and subsequently to recommend to the Board the appointment of Christiane Elsenbach as a non-executive Director. The external search consultancy had no connection with the Company or individual Directors. New appointees to the Board will be provided with a full induction programme. This programme will cover the Company's investment strategy, policies and practices.

The Directors are also given key information on the Company's regulatory and statutory requirements as they arise, including information on the role of the Board, matters reserved for its decision, the terms of reference for the Board Committees, the Company's corporate governance practices and procedures and the latest financial information.

The Nomination Committee met twice during the year ended 31 December 2025. In discharging its duties the Committee considered:

- The feedback from the annual Board evaluation process, for further Information please see page 52;
- The re-appointment of the Directors and recommended to the Board the re-election of Richard Boléat, Jane Routledge and David Simpson as Directors at the 2025 AGM;
- The skills, diversity and composition of the Board;
- Engaging the services of an external search consultancy in the search for an additional non-executive director;
- The appointment of a non-executive director;
- Additional training the Board may benefit from; and
- The UK Listing Rule disclosures on diversity.

Corporate governance statement

Nomination Committee (continued)

The UK Listing Rules of the FCA require companies to report on whether they have met the following targets on board diversity: that at least 40% of the individuals on the board are women; at least one of the senior positions on the board is held by a woman; and, that at least one of the Board is from an ethnic minority background. As at 31 December 2025, the Board comprised four Directors, of whom two (50%) were women, and the role of Senior Independent Director was held by a woman. There were no members of the Board from an ethnic minority background. The Board will fully consider diversity, including ethnic diversity, whenever a new appointment is made. As at the date of this Report, the Board comprised of five directors.

The following tables set out the gender and ethnic diversity of the Board. This data was provided through individual Director self-assessment.

Gender diversity	Number of Board members	Percentage of the Board	Number of senior positions[a] on the Board
Men	2	50	1
Women	2	50	1[b]
Not specified/prefer not to say	–	–	–

Ethnic diversity	Number of Board members	Percentage of the Board	Number of senior positions[a] on the Board
White British or other White (including minority white groups)	4	100	2
Mixed/multiple ethnic groups	–	–	–
Asian/Asian British	–	–	–
Black/African/Caribbean/ Black British	–	–	–
Other ethnic group	–	–	–
Not specified/prefer not to say	–	–	–

[a] Senior positions specified by the UK Listing Rules are CEO, CFO, senior independent director, and chair.

[b] As the Company is managed externally, and there are no executive roles, the Company only has two of the senior roles specified by the Listing Rules, namely Senior Independent Director and Chair, the former occupied by a woman and the latter by a man. However, the Company considers that the chairs of its permanent sub-committees, that is the Audit Committee, Nomination Committee, Management Engagement Committee and Remuneration Committee are all senior positions. Of these four positions, two are performed by women and two by men.

Remuneration Committee

The Company's Remuneration Committee consists of David Simpson, Richard Boléat and Barbara Powley and is chaired by Jane Routledge. Post year end, on 26 February 2026, Christiane Elsenbach joined the Board and the Remuneration Committee. The Remuneration Committee meets at least once a year or more often if required. The Remuneration Committee's main functions include: (i) agreeing the policy for the remuneration of the Directors and reviewing any proposed changes to the policy; (ii) reviewing and considering ad hoc payments to the Directors in relation to duties undertaken over and above normal business; and (iii) appointing independent professional remuneration advice.

The Remuneration Committee met to consider whether the current level of non-executive Director fees remained appropriate. The Committee agreed that Directors' fees would increase in line with inflation. Further details can be found in the Directors' Remuneration Report which is set out on page 60 of the Annual Report.

Corporate governance statement

Meeting attendance

The number of scheduled Board and Board Committee meetings held during the year ended 31 December 2025 and the attendance of the individual Directors is shown below:

	Board	Audit Committee	Nomination Committee	Management Engagement Committee	Remuneration Committee
David Simpson	6/6	6/6	2/2	1/1	1/1
Richard Boléat	6/6	6/6	2/2	1/1	1/1
Barbara Powley	6/6	6/6	2/2	1/1	1/1
Jane Routledge	6/6	6/6	2/2	1/1	1/1

The Board meets at least four times a year to review investment performance, financial reports and other reports of a strategic nature. Board and Board Committee meetings are also held on an ad hoc basis to consider particular issues as they arise. During the year, the Board met on an ad hoc basis to consider the publication of the Circulars and convening of the General Meetings. Key representatives of the Investment Manager attend each meeting and between these meetings there is regular contact with the Chairman and other Directors where appropriate.

MUFG Corporate Governance Limited
Corporate Secretary

27 March 2026

Directors' remuneration report

The Board presents the Directors' Remuneration Report for the year ended 31 December 2025. This Report is prepared in accordance with Schedule 8 of the Large and Medium-sized Companies and Groups (Accounts and Reports) (Amendment) Regulations 2013.

An ordinary resolution to approve this Report will be proposed at the AGM of the Company to be held on 20 May 2026. The law requires the Company's auditor to audit certain disclosures provided. Where disclosures have been audited, they are indicated as such. The auditor's opinion is included in their report on pages 72 to 80.

Statement from the Chair of the Remuneration Committee

Directors' remuneration is determined by the Remuneration Committee, at its discretion within an aggregate ceiling of £300,000 per annum, as set out in the Company's Articles of Association.

The Remuneration Committee's main functions include: (i) agreeing the policy for the remuneration of the Directors and reviewing and proposing changes to the policy; (ii) reviewing and considering ad hoc payments to the Directors in relation to duties undertaken over and above normal business; and (iii) appointing independent professional remuneration advisors. The Remuneration Committee consists of myself, Barbara Powley, David Simpson and Richard Boléat. Post year end, on 26 February 2026, Christiane Elsenbach joined the Board and the Remuneration Committee.

Each Director abstains from voting on his or her own individual remuneration.

During the year ended 31 December 2025, the annual fees were set out at the rate of £50,000 for the Chairman, £44,000 for the Chairman of the Audit Committee and £38,000 for a Director. The Board's remuneration is considered annually. Following a review, it was agreed that effective from 1 January 2026, the fees would be increased in line with inflation, accordingly the fees of the Chairman would increase to £52,000, the Chairman of the Audit Committee to £45,500 and the other Directors to £39,500.

In accordance with the Companies Act 2006, the Company is required to obtain shareholder approval of its remuneration policy on a triennial basis. The policy was approved at the Annual General Meeting held on 15 June 2023 and remains in force; the next triennial vote will be at the upcoming 2026 AGM.

Remuneration policy

The Company follows the recommendation of the AIC Code that non-executive Directors' remuneration should reflect the time commitment and responsibilities of the role. The Company's policy is that the remuneration of non-executive Directors should reflect the experience of the Board as a whole and be determined with reference to comparable organisations and appointments. The Board also considers the average rate of inflation during the period since the last fee increase and reviews the level of remuneration in comparison with other investment trusts of a similar size and/or mandate, as well as taking account of any data published by relevant organisations to ensure that fees are in line with industry practice. This comparison, together with consideration of any alteration in non-executive Directors' responsibilities, is used to review whether any change in remuneration is necessary.

All Directors are non-executive, appointed under the terms of letters of appointment. There are no service contracts in place. The Company has no employees.

The fees for the non-executive Directors are determined within the limits (not to exceed £300,000 per annum) set out in the Company's Articles of Association, or any greater sum that may be determined by special resolution of the Company. Directors are not eligible for bonuses, share options, long-term incentive schemes or other performance-related benefits as the Board does not believe that this is appropriate for non-executive Directors. There are no pension arrangements or retirement benefits in place for the Directors of the Company.

Under the Company's Articles of Association, if any Director is called upon to perform or render any special

Directors' remuneration report

Remuneration policy (continued)

duties or services outside their ordinary duties as a Director, they may be paid such reasonable additional remuneration as the Board, or any committee authorised by the Board, may from time to time determine.

The Directors are entitled to be repaid all reasonable travelling, hotel and other expenses properly incurred by them in or about the performance of their duties as Director, including any expenses incurred in attending meetings of the Board or any committee of the Board or general meetings of the Company.

Directors' and Officers' liability insurance cover is maintained by the Company on behalf of the Directors.

Directors' remuneration components

The components of the remuneration package for the Company's non-executive Directors, which comprise the Directors' Remuneration Policy, are set out below:

Remuneration type	Description and approach to determination
Fixed fees	Annual fees are set for each of the Directors, taking into account the wider industry and individual skills, time commitment and experience. When making recommendations for any changes in fees, the Committee will also consider wider factors such as the average rate of inflation over the period since the previous review, and the level and any change in complexity of the Directors' responsibilities (including additional time commitments as a result of increased regulatory or corporate governance requirements). These fees shall not exceed £300,000 per annum, divided between the Directors as they may determine. Directors do not participate in discussions relating to their own fee.
Additional fees	If any Director, being willing and having been called upon to do so, shall render or perform extra or special services of any kind, including services on any Committee of the Board, or shall travel or reside abroad for any business or purposes of the Company, he or she shall be entitled to receive such sum as the Board may think fit for expenses, and also such remuneration as the Board may think fit, either as a fixed sum or otherwise, and such remuneration may, as the Board shall determine, be either in addition to or in substitution for any other remuneration he or she may be entitled to receive.
Expenses	The Directors shall be entitled to be paid all expenses properly incurred by them in attending General Meetings or separate meetings of the holders of any class of shares or meetings of the Board or Committees of the Board or otherwise in or with a view to the performance of their duties.
Other	Directors are not eligible for bonuses, share options or long-term incentive schemes or other performance-related benefits. There are no pension arrangements in place for the Directors of the Company.

Directors' remuneration report

Remuneration policy (continued)

Directors' fee levels per annum (effective from 1 January 2026)

Component	Role	Fee level per annum	Purpose of remuneration
Annual fee	Chairman	£52,000	Commitment as Chairman[a]
Annual fee	Non-executive Director	£39,500	Commitment as non-executive Director
Additional fee	Chairman of the Audit Committee	£6,000	For additional responsibilities and time commitments[b]
Additional fee	All Directors	n/a	For extra or special services performed in their role as a Director[c]
Expenses	All Directors	n/a	Reimbursement of expenses incurred in the performance of duties as a Director

[a] The Chairman of the Board is paid a higher fee than the other Directors to reflect the additional responsibility and remit of the role.

[b] The Chairman of the Audit Committee is paid a higher fee than the other Directors to reflect the additional responsibility and remit of the role.

[c] Additional fees would only be paid in exceptional circumstances in relation to the performance of extra or special services. No such fees have been paid in the current year.

Fees are reviewed annually in accordance with the above policy. The fee for any new Director appointed to the Board will be determined on the same basis. The Company is committed to ongoing Shareholder dialogue and any views expressed by Shareholders on the fees being paid to Directors would be taken into consideration by the Board when reviewing the Directors' Remuneration Policy and in the annual review of Directors' fees.

Compensation will not be made upon early termination of appointment.

Annual report on remuneration

The report below provides Shareholders with an understanding of how the Company has implemented the Remuneration Policy.

Directors' remuneration (audited)

The remuneration paid to the Directors for the years ended 31 December 2025 and 31 December 2024 is set out in the single total figure table below:

Director	Year ended 31 December 2025			Year ended 31 December 2024		
	Fees £	Taxable benefits[a] £	Total £	Fees £	Taxable benefits[a] £	Total £
David Simpson	50,000	119	50,119	49,000	–	49,000
Richard Boléat	44,000	9,057	53,057	43,000	4,878	47,878
Barbara Powley	38,000	1,703	39,703	37,000	2,214	39,214
Jane Routledge	38,000	146	38,146	37,000	–	37,000
	170,000	**11,025**	**181,025**	**166,000**	**7,092**	**173,092**

All fees are at a fixed rate and there is no variable remuneration. Fees are pro-rated where a change takes place during a financial year. There were no payments to third parties included in the fees referred to in the table above. There are no further fees to disclose as the Company has no employees, chief executive or executive directors.

[a] Reimbursement of expenses incurred in the performance of duties as a Director.

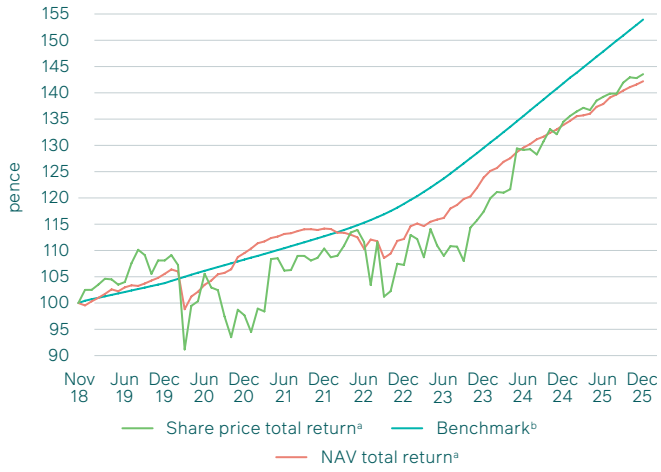
Directors' remuneration report

Annual report on remuneration (continued)

Company performance

The graph below compares the total return to holders of Ordinary Shares since they were first admitted to trading on the LSE, compared to a return of 3 Month LIBOR +2.5% from inception to 31 December 2019, a return of 3 Month LIBOR +4% from 1 January 2020 until 31 December 2021 and an annual return of SONIA +4% from 1 January 2022. SONIA (which replaced LIBOR) plus target rates have been chosen for comparison purposes as these were the dividend targets for the stated periods.

14 November 2018 = 100



[a] Alternative performance measure. Please see pages 117 to 118 for further information.

[b] 3 Month LIBOR +2.5% from inception to 31 December 2019, 3 Month LIBOR +4% from 1 January 2020 to 31 December 2021, thereafter SONIA +4%.

Source: M&G and Morningstar

Relative importance of spend on pay

The table below aims to help shareholders assess the relative importance of spend on remuneration. It compares the remuneration payable to Directors against the shareholder distribution of dividends, management fees and other expenses during the financial year under review and the prior year.

for the year ended 31 December	2025 £'000	2024 £'000	Change £'000
Spent on Directors' fees[a]	181	173	8
Management fee and other expenses[b]	1,759	1,487	272
Dividend payments[b]	13,744	12,176	1,568

[a] As the Company has no employees, the total spent on remuneration comprises fees and taxable benefits paid to Directors.

[b] The items listed in the table above are as required by the Large and Medium-sized Companies and Groups (Accounts and Reports) (Amendment) Regulations 2013 ss.20 with the exception of the management fee and other expenses, which have been included because the Directors believe it will help Shareholders' understanding of the relative importance of the amount spent on pay. The figures are derived from, or captured within, notes 4 and 5 to the Financial Statements.

Annual percentage change in Directors' remuneration

The following table sets out the annual percentage change in Directors' fees over the last five years.

Director	% from 2025 to 2026	% from 2024 to 2025	% from 2023 to 2024	% from 2022 to 2023	% from 2021 to 2022
David Simpson (Chairman)	4.0	2.0	4.3	9.3	4.9
Richard Boléat (Audit Committee Chairman)	3.4	2.3	4.9	9.3	4.9
Barbara Powley	3.9	2.7	4.2	10.0	4.9
Jane Routledge[a]	3.9	2.7	4.2	10.0	4.9
Mark Hutchinson[b]	n/a	n/a	n/a	n/a	–

[a] Jane Routledge was appointed as a Director on 25 October 2021; the percentage shown is the increase on a full-year basis.

[b] While a Director of the Company, Mark Hutchinson was employed by M&G as Chair of Private Assets and had agreed to waive his fee. He retired on 31 August 2021.

Directors' remuneration report

Annual report on remuneration (continued)

Directors' interests (audited)

The Company's Articles of Association do not require a Director to own shares in the Company. The interests of the Directors and any connected persons in the Ordinary Shares of the Company at 31 December 2025 and 31 December 2024 are shown in the table below.

	Number of shares 31 December 2025	Number of shares 31 December 2024
David Simpson	25,000	25,000
Richard Boléat[a]	55,200	30,000
Barbara Powley	36,830	24,830
Jane Routledge	19,696	19,696

[a] Richard Boléat purchased an additional 10,000 shares on 5 January 2026 and 10,000 on 10 February 2026. The total number of shares held is 75,200 as at the date of this report.

All of the holdings of the Directors are beneficial.

None of the Directors or any person connected with them had a material interest in the Company's transactions, arrangements or agreements during the year.

Christiane Elsenbach was appointed to the Board on 26 February 2026, and held no shares on appointment.

Remuneration advisors

The Company has not sought the advice or service of any outside person in respect of consideration of Directors' remuneration.

Consideration of Shareholders' views

An ordinary resolution to approve the Remuneration Report is put to Shareholders at each Annual General Meeting. An ordinary resolution to approve the Remuneration Policy is put to Shareholders on a triennial basis and Shareholders also have the opportunity to comment on and raise any questions in respect of the remuneration policy at each AGM meeting. To date, no Shareholders have expressed an opinion on the remuneration policy. Should there be a substantial vote against any resolution proposed at the Annual General Meeting, the reasons for the vote would be sought and action taken. In the event that the vote was against resolutions in relation to the Directors' remuneration, further details would be provided in future Directors' Remuneration Reports.

Shareholder voting

The Directors' Remuneration Report for the year ended 31 December 2024 was approved by Shareholders at the Annual General Meeting held on 21 May 2025 and the Directors' Remuneration Policy was approved by Shareholders at the Annual General Meeting held on 15 June 2023. The votes cast were as follows:

	Directors' remuneration report AGM 2025		Directors' remuneration policy AGM 2023	
	Number of votes	% of votes cast	Number of votes	% of votes cast
For	69,608,276	99.91	64,046,119	99.99
Against	61,265	0.09	5,091	0.01
Total votes cast	**69,669,541**	**100.00**	**64,051,210**	**100.00**
Number of votes withheld	125,230	–	1,396	–

Directors' remuneration report

Annual report on remuneration (continued)

Approval

On behalf of the Board and in accordance with Part 2 of Schedule 8 of the Large and Medium-sized Companies and Groups (Accounts and Reports) (Amendment) Regulations 2013, I confirm that the above Report on Remuneration Implementation summarises, as applicable, for the year to 31 December 2025:

- The major decisions on Directors' remuneration.
- Any substantial changes relating to Directors' remuneration made during the year.
- The context in which the changes, if any, occurred and decisions have been taken.

The Directors' Remuneration Report was approved by the Board and signed on its behalf by:

Jane Routledge
Chair of the Remuneration Committee

27 March 2026

Report of the Audit Committee

I am pleased to present the Report of the Audit Committee for the year ended 31 December 2025.

Role of the Audit Committee

The primary responsibilities of the Audit Committee are:

- To monitor the integrity and contents of the Company's Half Year reports, Annual reports and audited Financial Statements and accounting policies, and to review compliance with regulatory and financial reporting requirements;
- To advise the Board, where requested, on whether the Annual Report and audited Financial Statements, taken as a whole, are fair, balanced and understandable and provide the information necessary for Shareholders to assess the Company's position and performance, business model and strategy;
- To review the principal risks facing the Company that would threaten its business model, future performance, solvency or liquidity, and to review the effectiveness of the Company's internal controls and risk management systems;
- To assess the prospects of the Company for the next 12 months and to consider its longer term viability;
- To review the Company's internal financial controls and review the adequacy and effectiveness of the Company's risk management systems;
- To consider annually whether there is a need for the Company to have its own internal audit function;
- To oversee the selection process of possible new appointees as external auditor;
- To make recommendations to the Board in relation to the appointment, re-appointment and removal of the Auditor, including the approval of its remuneration and terms of engagement;
- To review the adequacy and scope of the external audit;
- To consider the independence, objectivity and effectiveness of the Auditor and the effectiveness of the audit; and
- To approve any non-audit services to be provided by the Auditor and the fees paid for such services.

Composition of the Audit Committee and resources

All of the independent non-executive Directors of the Company are members of the Audit Committee. I am a Fellow of the Institute of Chartered Accountants in England and Wales, and have more than 30 years' financial sector and accounting experience and therefore consider myself to have recent and relevant financial and investment experience sufficient to chair the Audit Committee. I consider that the Audit Committee as a whole has competence relevant to the investment trust sector. Details of the Committee Members' experience are given in the biographical information on pages 37 to 38.

As the Company has no employees, there is no dedicated resource available to the Audit Committee. However, representatives from the Investment Manager are invited to attend and present on issues as required.

The Audit Committee also has direct access to BDO LLP, who act as Auditor to the Company.

The Independent Auditor attends Audit Committee meetings as required. The Audit Committee reviews, with the Independent Auditor, the plan and scope of the audit prior to its start, and the results after it is concluded. At least annually, the Audit Committee discusses any relevant matters with the Auditor privately without the presence of the Investment Manager.

The Audit Committee is authorised to use whatever resources are required to fulfil its duties including seeking independent legal or other professional advice.

Terms of reference

The Committee operates within defined terms of reference which are available on the Company's website.

Report of the Audit Committee

Matters considered during the year

During the year under review, the Audit Committee has ensured the effective assessment of the Company's evolving risk environment. Rigorous evaluation and close oversight of the Company's risk matrix has been undertaken together with the Company's internal control systems. The Committee regularly ensures that those internal control systems established at IPO are maintained and updated as necessary and receives confirmations from third-party providers in this regard.

In addition, the Committee has closely assessed the Company's ability to meet its financial obligations over the next 12 months and the ongoing viability of the Company. In particular, the Committee has given close consideration to the forward-looking elements of the Company's statements, noting the changes on the horizon and being clear on the assumptions made in regard to those.

In relation to the Company's financial statements which appear within the latter part of this Report, the key area of focus has been on the valuation of those financial instruments where there is no ready market, which comprise a material part of the Company's portfolio of securities. The Committee regards as a key duty the obtaining of ongoing comfort that the process behind the valuation of such instruments is robust, consistent, reliable and able to withstand external scrutiny. This is particularly critical given the regular publication of the Company's net asset value, which incorporates the output from these processes. The Committee, after due and detailed enquiry, is satisfied that these processes are fit for purpose.

Following the 2024 year-end audit, an in depth review of the effectiveness of the audit process, including an assessment of the quality of the audit, the handling of the key judgments by the auditor, and the auditor's response to questions from the Committee was carried out. In order to assess the year-end processes of the Company, the views and findings of the third-party service providers involved in the processes were considered by the Committee.

Significant issues

The significant issues considered by the Committee in relation to the Annual Report and audited Financial Statements were:

1. Whether the analysis of principal risks faced by the Company as set out in the Strategic Report adequately captures and explains all key risks in a manner which enables Shareholders to properly understand the risks faced by the Company;
2. The determination of fair value in respect of the Company's assets classified as levels 2 and 3 under the FRS102 fair value hierarchy;
3. The determination of the correct level of individual assets within the FRS102 fair value hierarchy; and
4. A critical review and appraisal of the form and content of the Full Year Report to seek to ensure that it is fair, balanced and understandable.

Audit fees and non-audit services

An audit fee of £101,000 exclusive of VAT and recharge of support costs at 5% has been agreed in respect of the audit for the year ended 31 December 2025 (2024: £98,000 exclusive of VAT).

In accordance with the Company's Non-Audit Services Policy, as last updated and adopted by the Company on 7 March 2024, the Audit Committee reviews the scope and nature of all proposed non-audit services before engagement, to ensure that auditor independence and objectivity are safeguarded. Pursuant to the introduction of the Revised Ethical Standard 2019, the policy includes a 'whitelist' of non-audit services which may be provided by the Auditor provided there is no apparent threat to independence, as well as a list of services which are prohibited. Non-audit services are capped at 70.0% of the average of the statutory audit for the preceding three years. During the year ended 31 December 2025, the Auditor provided no non-audit services (2024: none).

Further information on the fees paid to the Auditor is set out in note 5 to the Financial Statements on page 91.

Report of the Audit Committee

Effectiveness of the external audit

The Audit Committee monitors and reviews the effectiveness of the external audit carried out by the Auditor, including a detailed review of the audit plan and the audit results report, and makes recommendations to the Board on the appointment, re-appointment, remuneration and terms of engagement of the Auditor. This review takes into account the experience and tenure of the audit partner and team, the nature and level of services provided, and confirmation that the Auditor has complied with independence standards. Any concerns with the effectiveness of the external audit process would be reported to the Board.

Independence and objectivity of the Auditor

The Committee has considered the independence and objectivity of the Auditor and has noted that no non-audit services have been provided by the Auditor during the year under review.

BDO LLP was appointed as the Auditor to the Company in 2023, following a competitive tender process. The Committee will review the continuing appointment of the Auditor on an annual basis and give regular consideration to the Auditor's fees and independence, along with matters raised during each audit.

The Committee is satisfied that the Auditor's objectivity and independence is not impaired and that the Auditor has fulfilled its obligations to the Company and its Shareholders.

Appointment of the Auditor

Following consideration of the performance of the Auditor, the services provided during the year and a review of its independence and objectivity, the Committee has recommended to the Board the re-appointment of BDO LLP as Auditor to the Company.

In accordance with the requirements relating to the appointment of auditors, the Company would need to conduct an audit tender following a ten-year tenure, ie no later than the financial year beginning 1 January 2033. Even if no change is made to the audit firm appointed, the audit partner will be subject to change at least every five years.

Internal controls and risk management

The Board, through the Audit Committee, is responsible for ensuring that suitable internal control systems to prevent and detect fraud and error are designed and implemented by the third-party service providers to the Company and is also responsible for reviewing the effectiveness of such controls.

The Board confirms that there is an ongoing process for identifying, evaluating and managing the principal and emerging risks faced by the Company in line with the FRC's Guidance on Risk Management, Internal Control and Related Financial and Business Reporting published in September 2014 and the FRC's Guidance on Audit Committees published in April 2016. This process has been in place for the year under review and up to the date of approval of this report, and accords with the guidance.

In particular, it has reviewed and updated the process for identifying and evaluating the significant risks affecting the Company and policies by which these risks are managed. The risks of any failure of such controls are identified in a risk matrix and a schedule of key risks, which are regularly reviewed by the Board and which identify the likelihood and severity of the impact of such risks and the controls in place to minimise the probability of such risks occurring.

Where reliance is placed on third parties to manage identified risks, those risks are matched to appropriate controls reported in the relevant third-party service provider's annual report on controls. The principal risks identified by the Board are set out in the Strategic Report on pages 18 to 23.

Report of the Audit Committee

Internal controls and risk management (continued)

The following are the key components which the Company has in place to provide effective internal control:

- The Board has agreed clearly defined investment criteria, which specify levels of authority and exposure limits. Reports on compliance with these criteria are regularly reviewed by the Board.
- The Board has a procedure to ensure that the Company can continue to be approved as an investment trust by complying with Sections 1158/1159 of the Corporation Tax Act 2010.
- The Investment Manager and Administrator prepare forecasts and management accounts which allow the Board to assess the Company's activities and to review its performance.
- The contractual agreements with the Investment Manager and other third-party service providers, and adherence to them, are regularly reviewed.
- The services and controls at the Investment Manager and at other third-party service providers are reviewed at least annually.
- The Audit Committee receives and reviews assurance reports on the controls of all third-party service providers, including the Administrator.

Internal control systems are designed to meet the Company's particular needs and the risks to which it is exposed. They do not eliminate the risk of failure to achieve business objectives and, by their nature, can only provide reasonable and not absolute assurance against misstatement or loss.

As the Company has no employees, it does not have a whistleblowing policy and procedure in place. The Company delegates its main functions to third-party service providers, each of whom report on their policies and procedures to the Audit Committee.

Changes to the UK Corporate Governance Code

The Committee has noted the recent changes to the UK Code, in particular the increased focus on internal controls which applies to financial years beginning on or after 1 January 2026. The Committee is working to consider what enhancements, if any, should be made to the current internal controls review process.

Internal audit function

The Audit Committee believes that the Company does not require an internal audit function, principally because the Company delegates its day-to-day operations to third parties, which are monitored by the Committee, and which provide control reports on their operations at least annually.

My thanks go to all the individuals who have generously committed their time up to the publication of this report in contributing to the successful completion of the Committee's work program to date. I would very much welcome feedback from Shareholders on the form and content of this Annual Report and audited Financial Statements.

Richard Boléat
Chairman of the Audit Committee

27 March 2026

Management report and Directors' responsibilities statement

Management report

Listed companies are required by the FCA's Disclosure Guidance and Transparency Rules (the 'Rules') to include a management report in their Financial Statements. This information is included in the Strategic Report on pages 2 to 36 inclusive (together with the sections of the Annual Report and audited Financial Statements incorporated by reference) and the Directors' Report on pages 39 to 45. Therefore, a separate management report has not been included.

Statement of Directors' responsibilities in respect of the Annual Report and audited Financial Statements

The Directors are responsible for preparing the Annual Report and the Financial Statements in accordance with United Kingdom Generally Accepted Accounting Practice, the requirements of the Companies Act 2006 and applicable laws and regulations

Company law requires the Directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the Directors are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- State whether they have been prepared in accordance with applicable UK Accounting Standards, subject to any material departures disclosed and explained in the financial statements;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business; and
- Prepare a Directors' Report, a Strategic Report and Directors' Remuneration Report which comply with the requirements of the Companies Act 2006.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that its financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. The Directors are responsible for ensuring that the Annual Report and Accounts, taken as a whole, are fair, balanced, and understandable and provides the information necessary for shareholders to assess the Company's performance, business model and strategy.

Website publication

The Directors are responsible for ensuring the Annual Report and the Financial Statements are made available on a website. Financial statements are published on the Company's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the Company's website is the responsibility of the Directors. The Directors' responsibility also extends to the ongoing integrity of the financial statements contained therein.

Management report and Directors' responsibilities statement

Statement of Directors' responsibilities in respect of the Annual Report and audited Financial Statements (continued)

Directors' responsibilities pursuant to DTR4

The Directors confirm to the best of their knowledge:

- The financial statements have been prepared in accordance with the applicable set of accounting standards, give a true and fair view of the assets, liabilities, financial position and profit and loss of the Company.
- The annual report includes a fair review of the development and performance of the business and the financial position of the Company, together with a description of the principal risks and uncertainties that they face.

Responsibility statement of the Directors in respect of the annual financial report

The Directors listed on pages 37 to 38 confirm that to the best of their knowledge

- The Financial Statements, prepared in accordance with the applicable set of accounting standards, give a true and fair view of the assets, liabilities, financial position and profit of the Company taken as a whole; and
- The Strategic Report/Directors' Report include a fair review of the development and performance of the business and the position of the issuer, together with a description of the principal risks that they face.

The 2018 UK Corporate Governance Code also requires Directors to ensure that the Annual Report and audited Financial Statements are fair, balanced and understandable. In order to reach a conclusion on this matter, the Board has requested that the Audit Committee advise on whether it considers that the Annual Report and audited Financial Statements fulfil these requirements. The process by which the Audit Committee has reached these conclusions is set out in the Report of the Audit Committee on pages 66 to 69. As a result, the Board has concluded that the Annual Report and audited Financial Statements for the year ended 31 December 2025, taken as a whole, are fair, balanced and understandable and provide the information necessary for Shareholders to assess the Company's position, performance, business model and strategy.

On behalf of the Board

David Simpson
Chairman

27 March 2026

Independent auditor's report

Independent auditor's report to the members of M&G Credit Income Investment Trust plc

1 Opinion on the financial statements

In our opinion on the financial statements:

- Give a true and fair view of the state of the Company's affairs as at 31 December 2025 and of its profit and cash flows for the year then ended;
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- Have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of M&G Credit Income Investment Trust plc (the 'Company') for the year ended 31 December 2025 which comprise the Income statement, Statement of financial position, Statement of changes in equity, Cash flow statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

2 Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remain independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. The non-audit services prohibited by the FRC's Ethical Standard were not provided to the Company and we remain independent of the Company in conducting our audit.

3 Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the Directors' assessment of the Company's ability to continue to adopt the going concern basis of accounting included:

- Evaluating the appropriateness of the Directors' method of assessing the going concern in light of economic and market conditions by reviewing the information used by the Directors in completing their assessment;
- Evaluating the sensitivity analysis applied by the Directors in their going concern assessment including the impact of a significant reduction in the fair value of investments;
- Assessing the appropriateness of the Directors' assumptions and judgements made in their base case and stress tested forecasts including consideration of the available cash resources relative to forecast expenditure and commitments;

Independent auditor's report

- Checking the accuracy of historical forecasting by agreeing to actual results; and
- Reviewing the disclosures in the financial statements relating to going concern to assess whether they are consistent with the Company's circumstances.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Company's ability to continue as a going concern.

In relation to the Company's reporting on how it has applied the UK Corporate Governance Code, we have nothing material to add or draw attention to in relation to the Directors' statement in the financial statements about whether the Directors considered it appropriate to adopt the going concern basis of accounting In preparing the financial statements.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

4 Overview

		2025	2024
Key audit matters	Valuation and ownership of investments.	✓	✓
Materiality	Company financial statements as a whole £2.80m (2024: £2.10m) based on 1.5% (2024: 1.5%) of Net assets		

5 An overview of the scope of our audit

Our audit was scoped by obtaining an understanding of the Company and its environment, the applicable financial reporting framework and the system of internal control. We identified and assessed the risks of material misstatement of the financial statements. We then applied professional judgement to focus our audit procedures on the areas that posed the greatest risk of material misstatement to the financial statements. We continually assessed risks throughout our audit, revising the risks where necessary, with the aim of reducing the risk of material misstatement to an acceptable level, to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit, and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Independent auditor's report

Key audit matter		How the scope of our audit addressed the key audit matter
Valuation and ownership of investments Note 1 and note 14	The investment portfolio at the year end comprised both quoted and unquoted investments. The unquoted investments of £64,988,000 are valued using alternative valuation methods such as discounted cash flows, reference to broker quotes, and calibrated price of recent investment, which involve judgements and estimation uncertainty in determining their valuations. There is a risk that the prices used for the quoted investments of £114,379,000 held by the Company are not reflective of fair value and the risk that errors made in the recording of investment holdings result in the incorrect reflection of investments owned by the Company. Therefore we considered the valuation and ownership of quoted and unquoted investments to be the most significant audit area as the investments also represent the most significant balance in the financial statements and underpin the principal activity of the entity. For these reasons and the materiality of the balance in relation to the financial statements as a whole, we considered this to be a key audit matter.	We responded to this matter by testing the valuation and ownership of the whole portfolio of quoted investments. We performed the following procedures: With respect to quoted investments: • For quoted investments we confirmed the year-end bid price was used by agreeing to externally quoted prices; • For all quoted investments we recalculated the valuation by multiplying the number of shares/ notional value held per the statement obtained from the custodian by the valuation per share; and • Obtained direct confirmation of the number of shares outstanding or notional/principal balance held per investment from the custodian regarding all investments held at the balance sheet date. With respect to unquoted investments we: • Assessed the design and implementation of controls in relating to the valuation processes including assessment of management and its external experts; • Considered the appropriateness of the valuation methodology applied; and • Obtained direct confirmation of the unquoted population by confirming the outstanding principal balance with the relevant independent third parties in which the debt instruments are held.

Independent auditor's report

Key audit matter (continued)	**How the scope of our audit addressed the key audit matter** (continued)
	With the use of our valuation experts, for a sample of the unquoted investments that management has valued using discounted cash flows or a single broker quote we have agreed stated terms to the original term sheets, developed an independent credit spread, and used these to independently derive a value using discounted cash flows and compared these to the fair value used by management. **Key observations:** Based on our procedures performed we did not identify any matters to suggest the valuation or ownership of the investments was not appropriate.

6 Our application of materiality

We apply the concept of materiality both in planning and performing our audit, and in evaluating the effect of misstatements. We consider materiality to be the magnitude by which misstatements, including omissions, could influence the economic decisions of reasonable users that are taken on the basis of the financial statements.

In order to reduce to an appropriately low level the probability that any misstatements exceed materiality, we use a lower materiality level, performance materiality, to determine the extent of testing needed. Importantly, misstatements below these levels will not necessarily be evaluated as immaterial as we also take account of the nature of identified misstatements, and the particular circumstances of their occurrence, when evaluating their effect on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the financial statements as a whole and performance materiality as follows:

Company financial statements	**2025 £m**	**2024 £m**
Materiality	2.80	2.10
Basis for determining materiality	1.5% of Net assets	1.5% of Net assets
Rationale for the benchmark applied	As an investment trust, the net asset value is the key measure of performance for users of the financial statements.	As an investment trust, the net asset value is the key measure of performance for users of the financial statements.
Performance materiality	2.10	1.57
Basis for determining performance materiality	75% of materiality	75% of materiality

Independent auditor's report

Rationale for the percentage applied for performance materiality	The level of performance materiality applied was set after having considered a number of factors including the expected total value of known and likely misstatements and the level of transactions in the year.	The level of performance materiality applied was set after having considered a number of factors including the expected total value of known and likely misstatements and the level of transactions in the year.

Reporting threshold
We agreed with the Audit Committee that we would report to them all individual audit differences in excess of £140,000 (2024: £104,950). We also agreed to report differences below this threshold that, in our view, warranted reporting on qualitative grounds.

7 Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

8 Corporate governance statement

The UK Listing Rules require us to review the Directors' statement in relation to going concern, longer-term viability and that part of the Corporate Governance Statement relating to the Company's compliance with the provisions of the UK Corporate Governance Code specified for our review.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the Corporate Governance Statement is materially consistent with the financial statements or our knowledge obtained during the audit.

Going concern and longer-term viability Pages 24 to 25	• The Directors' statement with regards to the appropriateness of adopting the going concern basis of accounting and any material uncertainties identified; and • The Directors' explanation as to their assessment of the Company's prospects, the period this assessment covers and why the period is appropriate.

Independent auditor's report

Other Code provisions	• Directors' statement on fair, balanced and understandable set out on page 71; • Board's confirmation that it has carried out a robust assessment of the emerging and principal risks set out on page 18; • The section of the annual report that describes the review of effectiveness of risk management and internal control systems set out on page 18 to 23; and • The section describing the work of the Audit Committee set out on pages 66 to 69.

9 Other Companies Act 2006 reporting

Based on the responsibilities described below and our work performed during the course of the audit, we are required by the Companies Act 2006 and ISAs (UK) to report on certain opinions and matters as described below.

Strategic report and Directors' report	In our opinion, based on the work undertaken in the course of the audit: • The information given in the Strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and • The Strategic report and the Directors' report have been prepared in accordance with applicable legal requirements. In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report or the Directors' report.
Directors' remuneration	In our opinion, the part of the Directors' remuneration report to be audited has been properly prepared in accordance with the Companies Act 2006.
Matters on which we are required to report by exception	We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion: • Adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or • The financial statements and the part of the Directors' remuneration report to be audited are not in agreement with the accounting records and returns; or • Certain disclosures of Directors' remuneration specified by law are not made; or • We have not received all the information and explanations we require for our audit.

Independent auditor's report

10 Responsibilities of Directors

As explained more fully in the Management report and Directors' responsibilities, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

11 Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

However, the primary responsibility for the prevention and detection of fraud rests with both Those Charged with Governance of the Company and management.

Extent to which the audit was capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Non-compliance with laws and regulations

Based on:

- Our understanding of the Company and the industry in which it operates;
- Discussion with management, Audit Committee and those charged with governance; and
- Obtaining an understanding of the Company's policies and procedures regarding; compliance with laws and regulations;

We considered the significant laws and regulations to be the Companies Act 2006, the FCA's UK Listing and Disclosure Guidance and Transparency Rules, the principles of the AIC Code of Corporate Governance, industry practice represented by the AIC SORP, the applicable accounting framework, and qualification as an Investment Trust under UK tax legislation as any non-compliance of this would lead to the Company losing various deductions and exemptions from corporation tax.

Our procedures in respect of the above included:

- Agreement of the financial statement disclosures to underlying supporting documentation;
- Enquiries of the Investment Manager, Administrator and Those Charged with Governance relating to the existence of any non-compliance with laws and regulations;

Independent auditor's report

- Reviewing minutes of meeting of those charged with governance throughout the period for instances of non-compliance with laws and regulations; and
- Reviewing the calculation in relation to Investment Trust compliance to check that the Company was meeting its requirements to retain their Investment Trust Status.

Fraud

We assessed the susceptibility of the financial statement to material misstatement including fraud.

Our risk assessment procedures included:

- Enquiry with the Investment Manager, Administrator and Those Charged with Governance regarding any known or suspected instances of fraud;
- Obtaining an understanding of the Company's policies and procedures relating to:
  - Detecting and responding to the risks of fraud; and
  - Internal controls established to mitigate risks related to fraud.
- Review of minutes of meetings of Those Charged with Governance for any known or suspected instances of fraud; and
- Discussion amongst the engagement team as to how and where fraud might occur in the financial statements.

Based on our risk assessment, we considered the areas most susceptible to be management override of controls.

Our procedures in respect of the above included:

- Performed a review of estimates and judgements applied by the Directors in the financial statements to assess their appropriateness and the existence of any systematic bias;
- Considered the opportunity and incentive to manipulate accounting entries and assessed the appropriateness of any post-closing adjustments made in the period end financial reporting process;
- Reviewed for significant transactions outside the normal course of business; and
- Performed a review of unadjusted audit differences for indications of bias or deliberate misstatement.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members who were all deemed to have appropriate competence and capabilities and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at: **frc.org.uk/auditorsresponsibilities** This description forms part of our auditor's report.

Independent auditor's report

12 Other matters which we are required to address

We were appointed by the Board of Directors on 15 June 2023 to audit the financial statements for the year ended 31 December 2023.Our total uninterrupted period of engagement is three years, covering the years ended 31 December 2023 to 31 December 2025.

Our audit opinion is consistent with the additional report to the Audit and Risk Committee.

13 Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

In due course, as required by the Financial Conduct Authority Disclosure Guidance and Transparency Rule 4.1.15R – 4.1.18R, these financial statements will form part of the Electronic Format Annual Financial Report filed on the National Storage Mechanism of the FCA in accordance with DTR 4.1.15R – DTR 4.1.18R. This auditor's report provides no assurance over whether the Electronic Format Annual Financial Report has been prepared in compliance with DTR 4.1.15R – DTR 4.1.18R.

Chris Meyrick (Senior Statutory Auditor)
For and on behalf of BDO LLP
Statutory Auditor
Edinburgh
United Kingdom

27 March 2026

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Financial statements

Income statement

	Note	Year ended 31 December 2025			Year ended 31 December 2024		
		Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Net gains on investments	9	–	645	645	–	605	605
Net gains on derivatives	9	–	176	176	–	1,360	1,360
Net currency (losses)/gains		(141)	215	74	(196)	99	(97)
Income	3	11,546	–	11,546	10,518	–	10,518
Investment management fee	4	(1,188)	–	(1,188)	(937)	–	(937)
Other expenses	5	(752)	–	(752)	(723)	–	(723)
Net return on ordinary activities before finance costs and taxation		**9,465**	**1,036**	**10,501**	**8,662**	**2,064**	**10,726**
Finance costs	6	(128)	–	(128)	(109)	–	(109)
Net return on ordinary activities before taxation		**9,337**	**1,036**	**10,373**	**8,553**	**2,064**	**10,617**
Taxation on ordinary activities	8	–	–	–	–	–	–
Net return attributable to Ordinary Shareholders after taxation		**9,337**	**1,036**	**10,373**	**8,553**	**2,064**	**10,617**
Net return per Ordinary Share (basic and diluted)	**2**	**5.28p**	**0.59p**	**5.87p**	**6.01p**	**1.45p**	**7.46p**

The total columns of this statement represent the Company's statutory profit and loss account. The 'Revenue' and 'Capital' columns represent supplementary information provided under guidance issued by the Association of Investment Companies.

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

The Company has no other comprehensive income and therefore the net return on ordinary activities after taxation is also the total comprehensive income for the year.

The notes on pages 86 to 108 form an integral part of these Financial Statements.

Financial statements

Statement of financial position

	Note	As at 31 December 2025 £'000	£'000	As at 31 December 2024 £'000	£'000
Non-current assets					
Investments at fair value through profit or loss	9		179,367		135,300
Current assets					
Derivative financial assets held at fair value through profit or loss	9	349		264	
Receivables	10	2,032		1,862	
Cash and cash equivalents	10	6,520		3,447	
		8,901		**5,573**	
Current liabilities					
Derivative financial liabilities held at fair value through profit or loss	9	(14)		(137)	
Payables	10	(2,487)		(741)	
		(2,501)		**(878)**	
Net current assets			**6,400**		**4,695**
Net assets			**185,767**		**139,995**
Capital and reserves					
Called up share capital	11		1,999		1,472
Share premium			93,231		44,615
Special distributable reserve			86,906		91,541
Capital reserve	11		1,151		115
Revenue reserve			2,480		2,252
Total shareholders' funds			**185,767**		**139,995**
Net Asset Value per Ordinary Share (basic and diluted)	**2**		**92.91p**		**95.11p**

The notes on pages 86 to 108 form an integral part of these Financial Statements.

Approved and authorised for issue by the Board of Directors on 27 March 2026 and signed on its behalf by:

David Simpson
Chairman

Company registration number: 11469317

27 March 2026

Financial statements

Statement of changes in equity

Year ended 31 December 2025	Note	Called up Ordinary Share capital £'000	Share premium £'000	Special distributable reserve[a] £'000	Capital reserve[a] £'000	Revenue reserve[a] £'000	Total £'000
Balance at 31 December 2024		**1,472**	**44,615**	**91,541**	**115**	**2,252**	**139,995**
Ordinary Shares issued during the year		527	49,119	–	–	–	49,646
Net return attributable to shareholders		–	–	–	1,036	9,337	10,373
Prospectus issuance costs		–	(503)	–	–	–	(503)
Dividends paid	7	–	–	(4,635)	–	(9,109)	(13,744)
Balance at 31 December 2025		**1,999**	**93,231**	**86,906**	**1,151**	**2,480**	**185,767**

Year ended 31 December 2024	Note	Called up Ordinary Share capital £'000	Share premium £'000	Special distributable reserve[a] £'000	Capital reserve[a] £'000	Revenue reserve[a] £'000	Total £'000
Balance at 31 December 2023		**1,447**	**42,257**	**91,276**	**(1,949)**	**2,254**	**135,285**
Ordinary Shares issued from treasury		–	56	3,886	–	–	3,942
Ordinary Shares issued during the year		25	2,302	–	–	–	2,327
Net return attributable to shareholders		–	–	–	2,064	8,553	10,617
Dividends paid	7	–	–	(3,621)	–	(8,555)	(12,176)
Balance at 31 December 2024		**1,472**	**44,615**	**91,541**	**115**	**2,252**	**139,995**

[a] These reserves form the distributable reserves of the Company and may be used to fund distributions to investors via dividend payments. For the detailed analysis of the realised and investment holding gains and losses of the capital reserve, please refer to note 11 on page 97.

The notes on pages 86 to 108 form an integral part of these Financial Statements.

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Cash flow statement

	Note	Year ended 31 December 2025 £'000	Year ended 31 December 2024 £'000
Cash flows from operating activities			
Net return before finance costs and taxation[a]		10,501	10,726
Adjustments for:			
Net gains on investments	9	(645)	(605)
Net gains on derivatives	9	(176)	(1,360)
Net currency (gains)/losses		(74)	97
(Increase)/decrease in receivables		(162)	653
Increase/(decrease) in payables		204	(2,331)
Purchases of investments[b]	9	(67,392)	(38,329)
Sales of investments[b]	9	25,472	37,871
Net cash (outflow)/inflow from operating activities		**(32,272)**	**6,722**
Financing activities			
Finance costs	6	(128)	(109)
Ordinary Shares issued from treasury		–	3,942
Ordinary Shares issued during the year		49,646	2,327
Prospectus issuance costs		(503)	–
Dividends paid	7	(13,744)	(12,176)
Net cash inflow/(outflow) from financing activities		**35,271**	**(6,016)**
Increase in cash and cash equivalents		**2,999**	**706**
Cash and cash equivalents at the start of the year		3,447	2,838
Effect of foreign exchange rates		74	(97)
Increase in cash and cash equivalents as above		2,999	706
Cash and cash equivalents at the end of the year	**10**	**6,520**	**3,447**

[a] Cash inflow from interest was £8,000,416 (2024: £8,421,354) and cash outflow from interest was £1,895 (2024: £2,367).

[b] Receipts from the sale of, and payments to acquire investment securities have been classified as components of cash flows from operating activities because they form part of the Company's dealing operations.

The notes on pages 86 to 108 form an integral part of these Financial Statements.

Financial statements

Analysis of changes in cash

	Note	As at 31 December 2024 £'000	Cash flows £'000	Effect of foreign exchange rates £'000	As at 31 December 2025 £'000
Cash and cash equivalents					
Cash and cash equivalents	10	3,447	74	2,999	6,520
		3,447	**74**	**2,999**	**6,520**

The notes on pages 86 to 108 form an integral part of these Financial Statements.

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Notes to the Financial Statements

1 Significant accounting policies

The Company is a public limited company incorporated in the United Kingdom and registered in England and Wales, with the registered office of 19th Floor, 51 Lime Street, London, England, EC3M 7DQ.

The significant accounting policies, as set out below, have all been applied consistently throughout the year and the preceding year.

a) Basis of accounting

The Financial Statements have been prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value, and in accordance with United Kingdom Accounting Standards, including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice) and the Statement of Recommended Practice issued by the Association of Investment Companies ('SORP') in July 2022 'Financial Statements of Investment Trust Companies and Venture Capital Trusts'.

The Directors believe that the Company has adequate resources to continue in operational existence for the foreseeable future and for at least the next 12 months from the date of approval of these financial statements. The Directors have reviewed the liquidity of the investment portfolio, financial projections, the level of income and expenses, and key service providers' operational resilience in making their assessment. Further information is given in the Viability Statement (unaudited) on page 24 and the Going Concern Statement on page 25.

The functional and presentational currency of the Company is pound sterling because that is the currency of the primary economic environment in which the Company operates.

All values are recorded to nearest thousands, unless otherwise stated.

b) Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument.

Financial liabilities are classified according to the substance of the contractual arrangements entered into.

Financial assets and liabilities

Financial assets and liabilities are classified as at fair value through profit or loss (FVTPL) and are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar Debt Instrument.

Changes in the fair value of financial instruments held at FVTPL and gains and losses on disposal are recognised as capital.

Financial assets and liabilities are offset in the statement of financial position only when there exists a legally enforceable right to set off the recognised amounts and the Company intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial statements

Notes to the Financial Statements (continued)

With the exception of some hedging instruments, other Debt Instruments not meeting conditions of being 'basic' financial instruments are measured at FVTPL.

Commitments to make and receive loans that meet the conditions mentioned above are measured at cost (which may be nil) less any impairment. They are recorded and disclosed at the date of the legal commitment and recognised upon funding.

Financial assets are derecognised only when (a) the contractual rights to the cash flows from the financial asset expire or are settled, (b) the Company transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or (c) the Company, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

Derivative financial instruments

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. The resulting gain or loss is recognised in the Income Statement. Derivative returns are recognised as revenue or capital depending on their nature.

Fair value measurement

The best evidence of fair value is a quoted price for an identical asset in an active market. When quoted prices are unavailable, the price of a recent transaction for an identical asset provides evidence of fair value as long as there has not been a significant change in economic circumstances or a significant lapse of time since the transaction took place. If the market is not active and recent transactions of an identical asset on their own are not a good estimate of fair value, the fair value is estimated by using a valuation technique. For further details please refer to note 14 on pages 105 to 107.

c) Impairment of assets

Assets, other than those measured at fair value, are assessed for indicators of impairment at each balance sheet date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss. As at 31 December 2025, no impairment of assets has been recognised (2024: same).

d) Tax

Current tax is accounted for at the appropriate rate of corporation tax. The tax accounting treatment follows the principal amounts involved.

Deferred tax is recognised in respect of all timing differences between the treatment of certain items for tax and accounting purposes that have originated but not reversed at the balance sheet 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.

Financial statements

Notes to the Financial Statements (continued)

e) Income and expenses

Interest from Debt Instruments is recognised as revenue by reference to the coupon payable adjusted to spread any premium or discount on purchase over its remaining life. Other interest income is recognised as revenue on an accruals basis. Income from investment funds is recognised in revenue when the right to receive it is established.

Expenses not incidental to the purchase or sale of investments are recognised on an accruals basis and charged to revenue. Rebate of management fees incurred by investment funds managed by M&G Alternatives Investment Management Limited are recognised on an accrual basis as revenue or capital in accordance with the underlying scheme's distribution policy.

f) Finance cost

Finance costs are recognised on an accruals basis and are charged to revenue.

g) Foreign currency

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction. Assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rates of exchange prevailing at that date.

Other exchange differences are recognised in profit or loss in the year in which they arise.

All gains and losses on the translation of foreign currency are recognised as revenue or capital in the Income Statement depending on the underlying nature of the transactions.

h) Cash and cash equivalents

Cash and cash equivalents comprise cash, cash on deposits with banks, and 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.

i) Share capital and reserves

Called up Ordinary Share capital

Called up Ordinary Share capital represents the nominal value of Ordinary Shares issued.

Share premium

Share premium represents the excess over nominal value of shares issued, net of expenses of the share issue, except where amounts have been cancelled in accordance with section 610 of the Companies Act 2006 and transferred to special distributable reserve.

Special distributable reserve

Share premium of £99,000,001 was cancelled on 12 February 2019 and transferred to the special distributable reserve, in accordance with section 610 of the Companies Act 2006. The Company may, at the discretion of the Board, pay all or part of any future dividends out of this special distributable reserve, taking into account the Company's investment objective. The costs of repurchasing Ordinary Shares have been debited to the special distributable reserve.

Financial statements

Notes to the Financial Statements (continued)

Capital reserve
Capital reserve reflects any:

- gains or losses on the disposal of investments;
- exchange differences of a capital nature;
- increases and decreases in the fair value of investments held at the year end.

This reserve can also be used for distributions by way of a dividend and for funding the cost of repurchasing Ordinary Shares. The portion of the capital reserve arising on revaluation of investments held is non-distributable.

Revenue reserve
Revenue reserve reflects all income and expenditure which are recognised in the revenue column of the Income Statement and is distributable by way of dividends. It can also be used for funding the cost of repurchasing Ordinary Shares.

j) Repurchasing of Ordinary Shares for cancellation or to be held in treasury/reissue of Ordinary Shares from treasury
The costs of repurchasing shares including the related stamp duty and transaction costs are currently charged to the special distributable reserve and dealt with within the Statement of changes in equity. Share repurchase transactions are accounted for on a trade date basis.

Where Ordinary Shares held in treasury are subsequently reissued, the sale proceeds up to the purchase price of the shares are transferred to the special distributable reserve or capital reserve and the excess of the sale proceeds over the purchase price is transferred to share premium.

k) Investment management fees
Investment management fees are recognised on an accruals basis and are charged to revenue.

l) Accounting judgements, estimates and assumptions
The preparation of the Financial Statements requires the Directors to make judgements, estimates and assumptions that affect the amounts recognised in the Financial Statements. However, uncertainty about these judgements, assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in future years.

Whilst estimates are based on best judgement using information and financial data available the actual outcome may differ from these estimates.

When determining the level of investments within the fair value hierarchy, the determination of what constitutes 'observable' requires significant judgement by the Company. The Company considers observable data to be that market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary and provided by independent sources that are actively involved in the relevant market. If a fair value measurement uses inputs that require significant adjustment based on unobservable inputs, that measurement is a Level 3 measurement. Fair value estimates are made at a specific point in time, based on market conditions and information about the financial instrument. These estimates are subjective in nature and involve uncertainties and matters of significant judgement (eg interest rates, volatility, estimated cash flows etc). For further details please refer to note 14 on pages 105 to 107.

No other significant judgements, estimates or assumptions have been required in the preparation of the accounts for the current year.

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Notes to the Financial Statements (continued)

2 Returns and net asset value (NAV)

	Year ended 31 December 2025	Year ended 31 December 2024
Revenue return		
Revenue return attributable to Ordinary Shareholders (£'000)	9,337	8,553
Weighted average number of shares in issue during the year	176,856,810	142,333,970
Revenue return per Ordinary Share (basic and diluted)	5.28p	6.01p
Capital return		
Capital return attributable to Ordinary Shareholders (£'000)	1,036	2,064
Weighted average number of shares in issue during the year	176,856,810	142,333,970
Capital return per Ordinary Share (basic and diluted)	0.59p	1.45p
Net return		
Net return per Ordinary Share (basic and diluted)	5.87p	7.46p
NAV per Ordinary Share		
Net assets attributable to Ordinary Shareholders (£'000)	185,767	139,995
Number of shares in issue at year end	199,943,740	147,195,771
NAV per Ordinary Share	92.91p	95.11p

3 Income

	Year ended 31 December 2025 £'000	Year ended 31 December 2024 £'000
Income from investments		
Interest income from Debt Instruments	8,189	8,454
Distributions from investment funds	2,899	1,769
Management fee rebate	207	123
	11,295	**10,346**
Other income		
Interest from cash and cash equivalents	206	137
Other income	45	35
	11,546	**10,518**

Financial statements

Notes to the Financial Statements (continued)

4 Investment management fee

	Year ended 31 December 2025 £'000	Year ended 31 December 2024 £'000
Investment management fee	1,188	937

The amount outstanding at the year end is shown in note 10.

The basis for calculating the investment management fee is set out on pages 25 to 26.

5 Other expenses

	Year ended 31 December 2025 £'000	Year ended 31 December 2024 £'000
Revenue expenses		
Administration fees	70	109
Auditors' remuneration for audit services[a]	127	123
Broker fees	83	80
Directors' fees	181	173
Legal fees	15	1
Printing and postage	6	3
Registrar's and secretarial fees	157	126
Other	113	108
	752	**723**

[a] The audit services fees are disclosed including VAT.

Financial statements

Notes to the Financial Statements (continued)

6 Finance costs

	Year ended 31 December 2025 £'000	Year ended 31 December 2024 £'000
Commitment fee	85	75
Arrangement fees	29	25
Legal fees	14	9
Interest on loan facility	–	–
	128	**109**

On 19 October 2020 the Company entered into a £25 million revolving credit facility agreement with State Street Bank International GmbH. On 13 October 2025, the Company renewed the credit facility. Under the renewed agreement, the total commitment was increased to £40 million, with a termination date of 12 October 2026.

The interest on any amount drawn down comprises the aggregated applicable margin and compounded SONIA rate for any day during the interest period. The terms of the credit facility contain a covenant that the total debt of the Company shall not exceed 40% of the adjusted NAV of the Company at any time.

As at 31 December 2025 no amounts were drawn down (2024: £nil).

7 Dividends

	Year ended 31 December 2025 £'000	Year ended 31 December 2024 £'000
Revenue		
2023 fourth interim interest distribution of 1.60p	–	2,250
2024 first interim interest distribution of 1.49p	–	2,100
2024 second interim interest distribution of 1.54p	–	2,197
2024 third interim interest distribution of 1.40p	–	2,008
2024 fourth interim interest distribution of 1.53p	2,304	–
2025 first interim interest distribution of 1.25p	2,116	–
2025 second interim interest distribution of 1.13p	2,114	–
2025 third interim interest distribution of 1.32p	2,575	–
	9,109	**8,555**

Financial statements

Notes to the Financial Statements (continued)

	Year ended 31 December 2025 £'000	Year ended 31 December 2024 £'000
Capital		
2023 fourth interim dividend distribution of 0.54p	–	759
2024 first interim dividend distribution of 0.66p	–	930
2024 second interim dividend distribution of 0.61p	–	870
2024 third interim dividend distribution of 0.74p	–	1,062
2024 fourth interim dividend distribution of 0.56p	843	–
2025 first interim dividend distribution of 0.71p	1,202	–
2025 second interim dividend distribution of 0.79p	1,478	–
2025 third interim dividend distribution of 0.57p	1,112	–
	4,635	**3,621**

Set out below are the total dividends paid and proposed in respect of the year, which forms the basis on which the requirements of Sections 1158-1159 of the Corporation Tax Act 2010 are considered.

	Year ended 31 December 2025 £'000	Year ended 31 December 2024 £'000
Interest distributions paid of 3.70p (2024: 4.43p)	6,805	6,305
Dividend distributions paid of 2.07p (2024: 2.01p)	3,792	2,862
Interest distributions declared of 1.20p (2024: 1.53p)	2,459	2,304
Dividend distributions declared of 0.65p (2024: 0.56p)	1,332	843
	14,388	**12,314**

On 19 January 2026 the Board declared a fourth interim dividend of 1.85p per Ordinary Share for the year ended 31 December 2025, which was paid on 20 February 2026 to Ordinary Shareholders on the register on 30 January 2026. The ex-dividend date was 29 January 2026. The amount shown in the table above for distributions declared is based on 204,943,740 Ordinary Shares in issue.

In accordance with FRS 102, Section 32, 'Events After the End of the Reporting Period', the 2025 fourth interim dividend has not been included as a liability in this set of financial statements.

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Notes to the Financial Statements (continued)

8 Taxation on ordinary activities

	Year ended 31 December 2025			Year ended 31 December 2024		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Foreign tax	–	–	–	–	–	–

As an investment trust, the Company is exempt from UK corporation tax on capital gains. Pursuant to the interest streaming regime applicable to investment trusts, the Company may designate all or part of the amount it distributes as an interest distributions to its Shareholders. These distributions are treated as tax deductible against taxable income in the revenue return and therefore, no corporation tax liability has been recognised.

The effective corporation tax rate was 25% (2024: 25%). The tax charge for the year differs from the charge resulting from applying the standard rate of corporation tax in the UK for an investment trust company. The differences are explained below:

	Year ended 31 December 2025			Year ended 31 December 2024		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Net return on ordinary activities before taxation	**9,337**	**1,036**	**10,373**	**8,553**	**2,064**	**10,617**
Corporation tax at standard rate of 25% (2024: 25%)	2,334	259	2,593	2,138	516	2,654
Effects of:						
Net gains on investments	–	(161)	(161)	–	(151)	(151)
Net gains on derivatives	–	(44)	(44)	–	(340)	(340)
Tax deductible interest distributions	(2,334)	–	(2,334)	(2,138)	–	(2,138)
Net currency gains	–	(54)	(54)	–	(25)	(25)
Total tax charge	**–**	**–**	**–**	**–**	**–**	**–**

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

Financial statements

Notes to the Financial Statements (continued)

9 Investments held at fair value through profit or loss (FVTPL)

	As at 31 December 2025 £'000	As at 31 December 2024 £'000
Opening valuation	**135,427**	**132,993**
Analysis of transactions made during the year		
Purchases at cost	68,934	38,329
Sale proceeds	(25,480)	(37,860)
Net gains on investments	821	1,965
Closing valuation	**179,702**	**135,427**
Closing cost	179,693	138,079
Closing investment holding gains/(losses)	9	(2,652)
Closing valuation	**179,702**	**135,427**

The Company received £25,480,000 (2024: £37,860,000) from investments sold in the year. The book cost of these investments when they were purchased was £27,320,000 (2024: £37,664,000). 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 on purchases during the year amounted to £184 (2024: £8,046) and transaction costs on sales during the year amounted to £199 (2024: £156).

	As at 31 December 2025 £'000	As at 31 December 2024 £'000
Gains on investments		
Net gains on investments	645	605
Net gains on derivatives	176	1,360
Net gains on investments	**821**	**1,965**

	As at 31 December 2025 £'000	As at 31 December 2024 £'000
Closing valuation		
Investments at fair value through profit or loss	179,367	135,300
Derivative financial assets held at fair value through profit or loss	335	127
Closing valuation	**179,702**	**135,427**

Financial statements

Notes to the Financial Statements (continued)

10 Receivables, cash and cash equivalents and payables

	As at 31 December 2025 £'000	As at 31 December 2024 £'000
Receivables		
Sales for future settlement	22	14
Accrued income	1,824	1,753
Prepaid expenses	65	33
Management fee rebate	121	62
Total receivables	**2,032**	**1,862**
Cash and cash equivalents		
Cash at bank	892	2,123
Amounts held at/(due to) futures clearing houses	67	(3)
Cash on deposit	5,561	1,327
Total cash and cash equivalents	**6,520**	**3,447**
Payables		
Purchases for future settlement	1,542	–
Expenses payable	294	222
Management fee payable	624	479
Other payables	27	40
Total payables	**2,487**	**741**

Financial statements

Notes to the Financial Statements (continued)

11 Called up share capital

	As at 31 December 2025		As at 31 December 2024	
	Number of shares	Nominal value £'000	Number of shares	Nominal value £'000
Ordinary Shares of 1p				
Ordinary Shares in issue at the beginning of the year	147,195,771	1,472	140,619,239	1,406
Ordinary Shares issued from treasury during the year	–	–	4,126,532	41
Ordinary Shares issued during the year	52,747,969	527	2,450,000	25
Purchase of Ordinary Shares held in treasury	–	–	–	–
Ordinary Shares in issue at the end of the year	**199,943,740**	**1,999**	**147,195,771**	**1,472**
Treasury Shares (Ordinary Shares of 1p)				
Treasury Shares at the beginning of the year	–	–	4,126,532	41
Ordinary Shares issued from treasury during the year	–	–	(4,126,532)	(41)
Treasury Shares at the end of the year	**–**	**–**	**–**	**–**
Total Ordinary Shares in issue and in treasury at the end of the year	**199,943,740**	**1,999**	**147,195,771**	**1,472**

The analysis of the capital reserve is as follows:

	Year ended 31 December 2025			Year ended 31 December 2024		
	Realised capital reserve £'000	Investment holding gains and losses £'000	Total capital reserve £'000	Realised capital reserve £'000	Investment holding gains and losses £'000	Total capital reserve £'000
Capital reserve at the beginning of the year	2,767	(2,652)	115	2,472	(4,421)	(1,949)
(Losses)/gains on realisation of investments at fair value	(1,840)	–	(1,840)	196	–	196
Realised currency gains during the year	215	–	215	99	–	99
Movement in unrealised gains	–	2,661	2,661	–	1,769	1,769
Capital reserve at the end of the year	**1,142**	**9**	**1,151**	**2,767**	**(2,652)**	**115**

Financial statements

Notes to the Financial Statements (continued)

12 Related party transactions

M&G Alternatives Investment Management Limited, as Investment Manager, is a related party to the Company. The management fee payable to the Investment Manager for the year is disclosed in the income statement, in note 4 and amounts outstanding at the year end are shown in note 10.

Amounts paid to the Investment Manager in respect of rebate arrangements are shown in note 3 and the amounts outstanding at the year end from the Investment Manager in respect of these rebates are disclosed in note 10.

The Company holds investments in M&G European Loan Fund, M&G Senior Asset Backed Credit Fund and M&G Investment Grade ABS Fund which are managed by M&G Investment Management Limited. At the year end these were valued at £69,290,000 (2024: £37,396,000) and represented 37.40% (2024: 27.35%) of the Company's investment portfolio. The income earned from these investments of £2,899,003 (2024: £1,769,169) is included in note 3. Amounts receivable at the balance sheet date of £369,363 (2024: £249,546) are included within 'Accrued income' under Receivables in note 10. The total purchase costs of these investments was £31,502,312 (2024: £16,982,842) and the total sales amounted to £nil (2024: £4,156,780).

The Directors of the Company are related parties. The details of the fees payable to Directors and details of Directors' shareholdings are given in the Directors' Remuneration Report on pages 62 and 64.

13 Financial instruments

In pursuing the Company's objectives, the Company accepts market price risk and interest rate risk, in relation to the portfolio of investments. Since the Company's investment objectives are to deliver returns over the long term, transactions with the sole intention of realising short-term returns are not undertaken.

The quantitative data disclosed is representative of the Company's exposure to risk throughout the year.

The AIFM attempts to gain the best and most consistent returns for clients via the following:

- a bottom-up approach, centred around a detailed evaluation of individual investments; and
- diversification across issuer, to minimise the impact of default.

Portfolio management decisions are based on an in-house credit assessment and instrument rating which is carried out by the AIFM's credit analysts.

Market risk

Market risk embodies the potential for both losses and gains and includes foreign currency risk, interest rate risk and price risk, which are discussed in detail under separate headings within this note.

Market risk arises mainly from uncertainty about future values of financial instruments influenced by other price, currency and interest rate movements. It represents the potential loss the Company may suffer through holding market positions in investments in the face of market movements.

Financial statements

Notes to the Financial Statements (continued)

Management of market risk

The Board meets formally at least four times a year with the Investment Manager to review, inter alia, the Company's strategy and performance, the composition of the investment portfolio and the management of risk. The investment management team has responsibility for monitoring the portfolio, which is selected in accordance with the Company's investment objective and seeks to ensure that any investments meet an acceptable risk/reward profile.

Market risk arising from foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The fair values of the Company's monetary items which have foreign currency exposure at 31 December 2025 are shown below.

	2025				2024			
	Australian dollar £'000	Euro £'000	New Zealand dollar £'000	US dollar £'000	Australian dollar £'000	Euro £'000	New Zealand dollar £'000	US dollar £'000
Receivables	20	166	–	104	24	171	97	123
Cash	50	237	–	300	34	970	46	128
Investments	1,574	14,227	–	13,125	1,633	13,409	799	9,688
Futures contracts	–	–	–	13	–	–	–	20
Total foreign currency exposure on net monetary items	**1,644**	**14,630**	**–**	**13,542**	**1,691**	**14,550**	**942**	**9,959**
Effect of forward foreign exchange contracts[a]	(1,275)	(13,014)	–	(13,287)	(1,469)	(14,750)	(604)	(9,703)
Net effect after consideration of forward foreign exchange contracts	**369**	**1,616**	**–**	**255**	**222**	**(200)**	**338**	**256**

a Base notional amounts for the forward foreign exchange contracts.

The Company is exposed to risks that the exchange rate of its reporting currencies relative to other currencies may change in a manner which has an adverse effect on the value of the portion of the Company's assets which are denominated in currencies other than their own currencies. Typically, the fund manager will substantially hedge these risks using foreign exchange forward contracts.

Financial statements

Notes to the Financial Statements (continued)

The following table illustrates the sensitivity of revenue and capital return on ordinary activities after tax and net assets attributable to Shareholders to an increase of or decrease of 5% in exchange rates. A 5% increase in the value of the fund's currency exposure would have the effect of increasing the return and net assets by £1,410,000 (2024: £1,283,000). A 5% decrease would have an equal and opposite effect.

	Increase in exchange rates 2025 £'000	Decrease in exchange rates 2025 £'000	Increase in exchange rates 2024 £'000	Decrease in exchange rates 2024 £'000
Income statement				
Revenue return	(10)	10	(9)	9
Capital return	1,420	(1,420)	1,292	(1,292)
Total change to net return on ordinary activities after tax	**1,410**	**(1,410)**	**1,283**	**(1,283)**
Change to net assets attributable to shareholders	**1,410**	**(1,410)**	**1,283**	**(1,283)**

Market risk arising from interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Company's investments may be subject to interest rate risk. When interest rates decline, the value of fixed rate obligations can be expected to rise, and conversely when interest rates rise, the value of fixed rate obligations can be expected to decline. In general, if prevailing interest rates fall significantly below the interest rates on any Debt Investments held by the Company, such investments are more likely to be the subject of prepayments than if prevailing rates remain at or above the rates borne by such investments.

As at December 2025 the Bank of England base rate was 3.75% ((2024: 4.75%). For investments that have a fixed rate of return, interest rate change may impact the returns on the investments and the returns realised by the investors.

Financial statements

Notes to the Financial Statements (continued)

The following table illustrates the sensitivity of revenue and capital return on ordinary activities after tax and net assets attributable to shareholders to an increase or decrease of 2% in interest rates. The decrease in interest rates illustrated below of 2% is reasonably possible based on observation of market conditions and historic trends. The sensitivity analysis is based on the Company's bond holdings at each reporting date, with all other variables held constant.

	Decrease in interest rates 2025 £'000	Increase in interest rates 2025 £'000	Decrease in interest rates 2024 £'000	Increase in interest rates 2024 £'000
Income statement				
Revenue return	26	(26)	19	(19)
Capital return	3,718	(3,718)	2,775	(2,775)
Total change to net return on ordinary activities after tax	**3,744**	**(3,744)**	**2,794**	**(2,794)**
Change to net assets attributable to shareholders	**3,744**	**(3,744)**	**2,794**	**(2,794)**

Market risk arising from other price risk

Market price risk includes changes in market prices, other than those arising from interest rate risk, which may affect the value of investments.

The following table illustrates the sensitivity of revenue and capital return on ordinary activities after tax and net assets attributable to shareholders to an increase or decrease of 10% in the fair value of the Company's investments. This level of change is considered to be reasonably possible based on observation of market conditions and historic trends. The sensitivity analysis is based on the Company's investments at each reporting date, with all other variables held constant.

	Increase in fair value 2025 £'000	Decrease in fair value 2025 £'000	Increase in fair value 2024 £'000	Decrease in fair value 2024 £'000
Income statement				
Revenue return	(126)	126	(95)	95
Capital return	17,937	(17,937)	13,530	(13,530)
Total change to net return on ordinary activities after tax	**17,811**	**(17,811)**	**13,435**	**(13,435)**
Change to net assets attributable to shareholders	**17,811**	**(17,811)**	**13,435**	**(13,435)**

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Notes to the Financial Statements (continued)

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities. The Company invests in illiquid public and private Debt Instruments. Such investments may be difficult to value or realise (if at all) and therefore the market price that is achievable for such investments might be lower than the valuation of these assets and as reflected in the Company's published NAV per Ordinary Share.

The contractual maturities of the financial liabilities at the year end, based on the earliest date on which payment can be required are as follows:

	Three months or less 2025 £'000	More than three months but less than one year 2025 £'000	Total 2025 £'000	Three months or less 2024 £'000	More than three months but less than one year 2024 £'000	Total 2024 £'000
Creditors: amounts falling due within one year						
Other creditors	2,487	–	2,487	741	–	741
	2,487	**–**	**2,487**	**741**	**–**	**741**

Credit risk

Credit risk is the risk that one party to a financial instrument or contract will cause a financial loss for the other party by failing to discharge an obligation. In the case of invested assets this is the potential for the reduction in the value of investments which relates to the risk of an issuer being unable to meet its obligations, whilst for trading activities this relates to the risk that the counterparty to any contract the Company enters into being unable to meet its obligations causing loss.

The Investment Manager maintains a credit risk policy and standards which set out the assessment and measurement of credit risk, compliance with which is monitored, and exposures and breaches are reported daily by the Risk team. The policy is reviewed on an annual basis to ensure that it remains fit for purpose and relevant to changes in the risk environment.

Investment mandates specify explicitly the counterparty risk appetite for cash on deposit, foreign exchange and OTC trading whilst other counterparty risk is taken for the purposes of efficient portfolio management and reduction in risk.

Financial statements

Notes to the Financial Statements (continued)

The table below shows the breakdown of the credit ratings of the investment portfolio.

	As at 31 December 2025 %	As at 31 December 2024 %
Unrated	**0.27**	**0.08**
Equities	0.01	–
Derivatives	0.18	0.08
Subordinated Debt	0.08	–
Cash and investment grade	**78.80**	**76.40**
Cash on deposit	3.00	0.97
AAA	5.54	7.45
AA	3.28	11.16
AA-	19.03	0.60
A+	1.25	1.21
A	2.38	3.28
A-	2.54	2.77
BBB+	8.23	10.99
BBB	11.73	13.97
BBB-	11.27	15.11
M&G European Loan Fund (ELF) (see note)	10.55	8.89
Sub-investment grade	**20.93**	**23.52**
BB+	2.41	2.73
BB	2.84	5.32
BB-	3.10	2.26
B+	2.14	2.17
B	5.97	6.65
B-	0.50	0.83
CCC+	0.50	–
CCC	0.28	–
CC	0.16	0.32
D	0.06	0.73
M&G European Loan Fund (ELF) (see note)	2.97	2.51
Total	**100.00**	**100.00**

Note: ELF is an open-ended fund managed by M&G that invests in leveraged loans issued by, generally, substantial private companies located in the UK and Continental Europe. ELF is not rated and the Investment Manager determined an implied rating for this investment, utilising rating methodologies typically attributable to collateralised loan obligations. On this basis, 78% of the Company's investment in ELF has been ascribed as being investment grade, and 22% has been ascribed as being sub-investment grade. The board actively monitors the implied rating to ensure that this rating remains appropriate.

Financial statements

Notes to the Financial Statements (continued)

Management of counterparty risk

To mitigate counterparty risk, the AIFM follows the standards below:

- Preference for 'high-quality' rated counterparties, mainly banks with short-term A1/P1 ratings and banks rated A or better.
- Limited exposure to each counterparty to diversify risk.
- Collateral taken from counterparties and posted against their default where appropriate.
- Regular monitoring of counterparty rating.
- Capability to rapidly reduce exposure on adverse market intelligence.
- Trading on Delivery Versus Payment (DVP) basis.

Credit risk exposure

The following amounts represent the maximum exposure to credit risk at the year end.

	2025 £'000	2024 £'000
Fixed assets		
Investments held at fair value through profit or loss	179,367	135,300
Current assets		
Receivables	2,032	1,862
Cash and cash equivalents	6,520	3,447
	187,919	**140,609**

No debtors are past their due date and none have been written down or deemed to be impaired.

Fair values of financial assets and financial liabilities

All financial assets and liabilities are either carried at fair value or the amount in the Statement of Financial Position is a reasonable approximation of fair value.

Financial statements

Notes to the Financial Statements (continued)

14 Fair value hierarchy

Under FRS 102 an entity is required to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy shall have the levels stated below:

- **Level 1:** quoted prices (unadjusted) in active markets for identical assets or liabilities.
- **Level 2:** other significant observable inputs (including quoted prices for similar investments, interest rates, prepayments, credit risk, spread premium, credit ratings etc).
- **Level 3:** significant unobservable inputs (including the Company's own assumptions in determining the fair value of investments, discounted cashflow model or single broker quote).

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a Level 3 measurement. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgement, considering factors specific to the asset or liability.

The determination of what constitutes 'observable' requires significant judgement by the Company. The Company considers observable data to be that market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary and provided by independent sources that are actively involved in the relevant market.

The financial assets measured at FVTPL are grouped into the fair value hierarchy as follows:

	As at 31 December 2025				As at 31 December 2024			
	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Financial assets at FVTPL								
Equities	–	–	10	10	3	–	–	3
Warrants	–	–	3	3	–	–	3	3
Debt Instruments	–	45,090	64,975	110,065	–	37,516	60,382	97,898
Investment in funds	–	69,289	–	69,289	–	37,396	–	37,396
Derivatives – Forwards	–	336	–	336	–	185	–	185
Derivatives – Futures	13	–	–	13	79	–	–	79
Financial liabilities at FVTPL								
Derivatives – Forwards	–	(3)	–	(3)	–	(137)	–	(137)
Derivatives – Futures	(11)	–	–	(11)	–	–	–	–
Net fair value	**2**	**114,712**	**64,988**	**179,702**	**82**	**74,960**	**60,385**	**135,427**

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Notes to the Financial Statements (continued)

Sensitivity of Level 3 holdings to unobservable inputs

The Company utilises a number of valuation methodologies, including discounted cash flow (DCF) model. Discount rates are applied to the cashflows of the debt instrument to determine fair value. The significant unobservable input within the fair value measurement is the credit spread component of the discount rate, which will be determined based on public comparable bonds of a similar sector and credit rating, as well as an appropriate additional spread premium. The market value of these investments was £47,618,000 (2024: £17,231,000) representing 26.50% (2024: 12.7%) of the portfolio of investments. The table below summarises a quantitative sensitivity analysis as at 31 December 2025 and 31 December 2024.

Valuation technique	Fair value £'000	Significant unobservable input	Range of unobservable inputs utilised	Sensitivity of fair value to changes in unobservable inputs +/- 0.5% £'000
Discounted cash flow as at 31 December 2025	47,618	Credit spread	0.75% - 15.50%	47,016 – 48,119
Discounted cash flow as at 31 December 2024	17,231	Credit spread	1.31%–15.50%	16,985 – 17,412

Additionally, some investments are priced monthly using a single quote from a broker, which the Investment Manager (in its capacity as AIFM) has designated as level 3 assets. The broker, typically either the lead manager and/or the broker where the deal was most recently traded through, will run a DCF model to arrive at a valuation. The market value of these investments was £13,052,000 (2024: £11,984,000) representing 7.26% (2024: 8.8%) of the portfolio of investments.

Some loans are valued using a recovery analysis approach. These loans are impaired and inputs into the valuation methodology include the valuation of assets within the business, including inventory. The market value of these investments was £417,000 (2024: £643,000) representing 0.23% (2024: 0.5%) of the portfolio of investments.

Some investments are valued using a scenario analysis, whereby various scenarios are run to generate exit values for the business, with inputs including recovery values on the collateral and time to exit. The market value for these investments was £669,000 (2024: £nil), presenting 0.37% (2024: nil) of the portfolio of investments.

Some loans within the portfolio were recently acquired and are valued at the price of recent investment as of December 2025. The market value of these investments was £3,229,000 (2024: £nil) representing 1.80% (2024: nil) of the portfolio of investments.

One investment (warrant) is valued using Black-Scholes Model, which estimates the theoretical value of an option based on inputs such as the strike price, the current stock price (in this case the valuation from the most recent funding round) and volatility rates. The market value of this investment was £3,000 (2024: £3,000) representing 0.00% (2024: 0.00%) of the portfolio of investments.

For some senior floating rate notes valuations were provided by an external valuations provider using a discounted cash flow model approach. The model utilised comparable from the leveraged loan asset class based on the loan's credit rating, geography and industry. The market value of these investments was £nil (2024: £2,538,000) representing nil (2024: 1.9%) of the portfolio of investments.

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Notes to the Financial Statements (continued)

Some private senior floating rate loans were valued at par and were monitored to ensure this represents fair value for these instruments. On a monthly basis these instruments were assessed to understand whether there was any evidence of valuation movements, including impairment or any upcoming refinancing. The market value of these investments was £nil (2024: £27,367,000) representing nil (2024: 20.02%) of the portfolio of investments.

One loan valued on this basis within the portfolio was priced below par and in line with observable broker quotes for the loan. The market value of this investment was £nil (2024: £619,000) representing nil (2024: 0.5%) of the portfolio of investments.

Level 3 reconciliation

The following table shows a reconciliation of all movements in the fair value of financial instruments categorised within Level 3 between the beginning and the end of the financial year:

	Level 3 31 December 2025 £'000	Level 3 31 December 2024 £'000
Financial assets at FVTPL		
Opening balance	60,385	59,015
Net losses	(474)	(1,427)
Purchases	23,563	12,710
Sales	(18,486)	(9,913)
Transfer into/(out of) Level 3	–	–
Closing balance	**64,988**	**60,385**

During the year ended 31 December 2025, there were no transfers in/out of level 3 (2024: none).

15 Capital commitments

There were outstanding unfunded investment commitments of £810,762 (2024: £1,133,000) at the year end.

	As at 31 December 2025 £'000	As at 31 December 2024 £'000
Cityfibre Infrastructure Holding Ltd Var. Rate 6 Jun 2031	470	–
Kee Safety Var. Rate 31 Mar 2028	–	257
Kee Safety Var. Rate 31 Mar 2032	159	–
Pinebridge Benson Elliot LLP Var. Rate 14 Aug 2026	182	726
Project Grey Var. Rate 30 Apr 2025 (Senior)	–	81
Project Grey Var. Rate 30 Apr 2025 (Junior)	–	69
	811	**1,133**

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Notes to the Financial Statements (continued)

16 Capital management policies and procedures

The Company's capital management objectives are:

- to ensure that the Company will be able to continue as a going concern; and
- to generate a regular and attractive level of income with low asset value volatility by investing in a diversified portfolio of public and private debt instruments.

The capital of the Company consists of equity, comprising issued capital, reserves and retained earnings.

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

- the nature and planned level of gearing, which takes account of the Investment Manager's views on the market;
- the issue and buy back of share capital within limits set by the shareholders in a general meeting; and
- the extent to which revenue in excess of that which is required to be distributed should be retained.

17 Post Balance Sheet Events

Following the year end the Company issued 5,850,000 Ordinary Shares and repurchased 250,000 Ordinary Shares to be held in the treasury.

Notice of Annual General Meeting

This document is important and requires your immediate attention. If you are in any doubt as to what action you should take, you are recommended to seek your own financial advice from your stockbroker or other independent adviser authorised under the Financial Services and Markets Act 2000 immediately.

If you have sold or otherwise transferred all of your shares in M&G Credit Income Investment Trust plc, please forward this document as soon as possible to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

NOTICE IS HEREBY GIVEN that the seventh ANNUAL GENERAL MEETING (AGM) of M&G Credit Income Investment Trust plc will be held at the offices of M&G Alternatives Investment Management Limited, 10 Fenchurch Avenue, London EC3M 5AG at 9:30 am on Wednesday, 20 May 2026 to consider and vote on the resolutions below.

Resolutions 1 to 12 (inclusive) will be proposed as ordinary resolutions and Resolutions 13 to 16 (inclusive) will be proposed as special resolutions.

Ordinary business

1. To receive and, if thought fit, to accept the Strategic Report, Directors' Report, Auditor's Report and the audited Financial Statements for the year ended 31 December 2025.
2. To receive and approve the Directors' Remuneration Report (excluding the Directors' Remuneration Policy) for the year ended 31 December 2025.
3. To receive and approve the Directors' Remuneration Policy.
4. To approve the Company's dividend policy.
5. To re-elect Mr David Simpson as a Director of the Company.
6. To re-elect Mr Richard Boléat as a Director of the Company.
7. To re-elect Ms Jane Routledge as a Director of the Company.
8. To elect Ms Christiane Elsenbach as a Director of the Company.
9. To re-appoint BDO LLP as Auditor to the Company, to hold office from the conclusion of this meeting until the conclusion of the next general meeting at which financial statements are laid before the Company.
10. To authorise the Audit Committee to determine the remuneration of the Auditor of the Company.
11. THAT, in substitution for all existing authorities and conditional on the passing of Resolution 13 below, the Directors be and are hereby generally and unconditionally authorised pursuant to and in accordance with Section 551 of the Companies Act 2006 (the 'Act') to exercise all the powers of the Company to allot up to 20,554,374 Ordinary Shares equivalent to a nominal amount of £205,543.74, representing approximately 10% of the Company's issued share capital (excluding treasury shares) as at 27 March 2026, or, if different, the number representing 10% of the aggregate nominal value of the Company's issued share capital (excluding treasury shares) as at the date of passing this Resolution, provided that such authority shall expire on the date of the 2027 Annual General Meeting (unless previously revoked or varied by the Company in a general meeting prior to such time), save that the Company may, at any time prior to the expiry of such authority, make an offer or enter into an agreement which would or might require Ordinary Shares to be allotted and the Directors may allot Ordinary Shares in pursuance of such an offer or agreement as if the authority conferred hereby had not expired. The authority granted by this Resolution 11 shall be in addition to the authority set out in Resolution 12.

Notice of Annual General Meeting

12. THAT, in substitution for all existing authorities and conditional on the passing of Resolution 14 below, the Directors be and are hereby generally and unconditionally authorised pursuant to and in accordance with Section 551 of the Act to exercise all the powers of the Company to allot up to 20,554,374 Ordinary Shares equivalent to a nominal amount of £205,543.74, representing approximately 10% of the Company's issued share capital (excluding treasury shares) as at 27 March 2026, or, if different, the number representing 10% of the aggregate nominal value of the Company's issued share capital (excluding treasury shares) as at the date of passing this Resolution, provided that such authority shall expire on the date of the 2027 Annual General Meeting (unless previously revoked or varied by the Company in a general meeting prior to such time), save that the Company may, at any time prior to the expiry of such authority, make an offer or enter into an agreement which would or might require Ordinary Shares to be allotted and the Directors may allot Ordinary Shares in pursuance of such an offer or agreement as if the authority conferred hereby had not expired. The authority granted by this Resolution 12 shall be in addition to the authority set out in Resolution 11.

Special resolutions

13. THAT, in substitution for all existing authorities and conditional on the passing of Resolution 11 above, the Directors be and are hereby empowered, pursuant to Section 570 and Section 573 of the Act to allot Ordinary Shares (including the sale of treasury shares) for cash pursuant to the authority set out in Resolution 11 as if Section 561 of the Act did not apply to any such allotment or sale out of treasury, provided that this power shall expire on the date of the 2027 Annual General Meeting (unless previously revoked or varied by the Company in a general meeting prior to such time), save that the Company may, at any time prior to the expiry of such power, make an offer or enter into an agreement which would or might require Ordinary Shares to be allotted after the expiry of such power, and the Directors may allot Ordinary Shares in pursuance of such an offer or agreement as if such power had not expired. The power granted by this Resolution 13 shall be in addition to the power set out in Resolution 14.

14. THAT, in substitution for all existing authorities and conditional on the passing of Resolution 12 above, the Directors be and are hereby empowered, pursuant to Section 570 and Section 573 of the Act to allot Ordinary Shares (including the sale of treasury shares) for cash pursuant to the authority set out in Resolution 12 as if Section 561 of the Act did not apply to any such allotment or sale out of treasury, provided that this power shall expire on the date of the 2027 Annual General Meeting (unless previously revoked or varied by the Company in a general meeting prior to such time), save that the Company may, at any time prior to the expiry of such power, make an offer or enter into an agreement which would or might require Ordinary Shares to be allotted after the expiry of such power, and the Directors may allot Ordinary Shares in pursuance of such an offer or agreement as if such power had not expired. The power granted by this Resolution 14 shall be in addition to the power set out in Resolution 13.

15. THAT, the Company be authorised in accordance with Section 701 of the Act to make market purchases (within the meaning of Section 693(4) of the Act) of Ordinary Shares provided that the maximum number of Ordinary Shares authorised to be purchased will be up to 14.99% of the Ordinary Shares in issue at the date of this Notice, excluding any treasury shares, or, if changed, 14.99% of the Ordinary Shares in issue, excluding any treasury shares, immediately following the passing of this resolution. The minimum price which may be paid for an Ordinary Share is £0.01. The maximum price which may be paid for an Ordinary Share must not be more than the higher of:

    - 5.0% above the average of the mid-market value of the Ordinary Shares for the five business days before the purchase is made; or

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- The higher of the price of the last independent trade and the highest current independent bid for the Ordinary Shares.

Such authority will expire at the AGM of the Company to be held in 2027, save that the Company may contract to purchase Ordinary Shares under the authority thereby conferred prior to the expiry of such authority, which contract will or may be executed wholly or partly after the expiry of such authority and may purchase Ordinary Shares in pursuance of such contract.

This resolution revokes and replaces all unexercised authorities previously granted to the Directors to make market purchases of Ordinary Shares.

All Ordinary Shares purchased pursuant to the above authority shall be either:

- Held, sold, transferred or otherwise dealt with as treasury shares in accordance with the provisions of the Act; or
- Cancelled immediately upon completion of the purchase.

16. THAT, a General Meeting, other than an AGM, may be called on not less than 14 clear days' notice.

Registered Office:
19th Floor 51 Lime Street, London, England, EC3M 7DQ

By Order of the Board of Directors
MUFG Corporate Governance Limited
Company Secretary
27 March 2026

Notice of Annual General Meeting

ADMINISTRATIVE NOTES IN CONNECTION WITH THE ANNUAL GENERAL MEETING

1. **Entitlement to attend and vote**

   To be entitled to attend and vote at the Meeting (and for the purposes of the determination by the Company of the votes that may be cast in accordance with Regulation 41 of the Uncertified Securities Regulations 2001), only those members registered in the Company's register of members at close of business on 18 May 2026 (or, if the Meeting is adjourned, close of business on the date which is two business days before the adjourned Meeting) shall be entitled to attend and vote at the Meeting. Changes to the register of members of the Company after the relevant deadline shall be disregarded in determining the rights of any person to attend and vote at the Meeting.

2. **Website giving information regarding the Meeting**

   Information regarding the Meeting, including the information required by Section 311A of the Act, is available from **mandg.com/creditincomeinvestmenttrust**

3. **Attending in person**

   If you wish to attend the Meeting in person, please bring some form of identification.

   Appointment of proxies

4. If you are a member of the Company at the time set out in note 1 above, you are entitled to appoint a proxy to exercise all or any of your rights to attend, speak and vote at the Meeting. You can appoint a proxy only using the procedures set out in these notes.

5. A proxy does not need to be a member of the Company but must attend the Meeting to represent you. If you wish your proxy to speak on your behalf at the Meeting you will need to appoint your own choice of proxy (not the Chairman) and give your instructions directly to them.

6. You may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares. You may not appoint more than one proxy to exercise rights attached to any one share. To appoint more than one proxy, please indicate on your proxy submission how many shares it relates to.

7. A vote withheld is not a vote in law, which means that the vote will not be counted in the calculation of votes for or against the Resolution. If no voting indication is given, your proxy will vote or abstain from voting at his or her discretion. Your proxy will vote (or abstain from voting) as he or she thinks fit in relation to any other matter which is put before the Meeting.

8. **Appointment of proxy using hard copy proxy form**

   A hard copy form of proxy has not been sent to you but you can request one directly from the registrars, MUFG Corporate Markets' general helpline team on 0371 664 0391. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. Lines are open between 09:00-17:30, Monday to Friday excluding public holidays in England and Wales. You can also request via email at **shareholderenquiries@cm.mpms.mufg.com** or via postal address at MUFG Corporate Markets, PXS 1, Central Square, 29 Wellington Street, Leeds, LS1 4DL. In the case of a member that is a company, the proxy form must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company. Any power of attorney or any other authority under which the proxy form is signed (or a duly certified copy of such power or authority) must be included with the proxy form. For the purposes of determining the time for delivery of proxies, no account has been taken of any part of a day that is not a working day.

9. **Appointment of a proxy online**

   You may submit your proxy electronically using the Share Portal service at **uk.investorcentre.mpms.mufg.com** Shareholders can use this service to vote or appoint a proxy online. The same voting deadline of 48 hours (excluding non-working days) before the time of the meeting applies.

   Shareholders will need to use the unique personal identification Investor Code ('IVC') printed on your share certificate. If you need help with voting online, please contact our Registrar, MUFG Corporate Markets' portal team on 0371 664 0300. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. Lines are open between 09:00-17:30, Monday to Friday excluding public holidays in England and Wales. You can also email **shareholderenquiries@cm.mpms.mufg.com**

10. **Appointment of proxies through CREST**

    CREST members who wish to appoint a proxy or proxies by utilising the CREST electronic proxy appointment service may do so for the Meeting and any adjournment(s) of it by using the procedures described in the CREST Manual (available from **euroclear.com**). CREST Personal Members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf. In order for a proxy appointment made by means of CREST to be valid, the appropriate CREST message (a CREST Proxy Instruction) must be properly authenticated in accordance with Euroclear UK & International Limited's (EUI) specifications and must contain the information required for such instructions, as described in the CREST Manual. The message must be transmitted so as to be received by the issuer's agent (ID: RA10) by 9:30 am on 18 May 2026. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST.

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CREST members and, where applicable, their CREST sponsors or voting service providers should note that EUI does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time.

In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5) (a) of the Uncertificated Securities Regulations 2001.

11. Proxymity

If you are an institutional investor you may be able to appoint a proxy electronically via the Proxymity platform. For further information regarding Proxymity, please go to proxymity.io Your proxy must be lodged by 9:30 am on 18 May 2026 in order to be considered valid or, if the meeting is adjourned, by the time which is 48 hours before the time of the adjourned meeting. Before you can appoint a proxy via this process you will need to have agreed to Proxymity's associated terms and conditions. It is important that you read these carefully as you will be bound by them and they will govern the electronic appointment of your proxy. An electronic proxy appointment via the Proxymity platform may be revoked completely by sending an authenticated message via the platform instructing the removal of your proxy vote.

12. Appointment of proxy by joint members

In the case of joint holders, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company's register of members in respect of the joint holding, the first-named being the most senior.

13. Changing proxy instructions

To change your proxy instructions simply submit a new proxy appointment using the methods set out above. Note that the cut-off times for receipt of proxy appointments (see above) also apply in relation to amended instructions; any amended proxy appointment received after the relevant cut-off time will be disregarded. Where you have appointed a proxy using the hard-copy proxy form and would like to change the instructions using another hard-copy proxy form, please contact MUFG Corporate Markets as per the communication methods shown in note 8. If you submit more than one valid proxy appointment, the appointment received last before the latest time for the receipt of proxies will take precedence.

14. Termination of proxy appointments

In order to revoke a proxy instruction, you will need to inform the Company by sending a signed hard copy notice clearly stating your intention to revoke your proxy appointment to MUFG Corporate Markets, at the address shown in note 8. In the case of a member that is a company, the revocation notice must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company.

Any power of attorney or any other authority under which the revocation notice is signed, or a duly certified copy of such power or authority, must be included with the revocation notice. The revocation notice must be received by MUFG Corporate Markets no later than 48 hours before the Meeting. If you attempt to revoke your proxy appointment but the revocation is received after the time specified then, subject to the paragraph directly below, your proxy appointment will remain valid. Appointment of a proxy does not preclude you from attending the Meeting and voting in person. If you have appointed a proxy and attend the Meeting in person, your proxy appointment will automatically be terminated.

15. Corporate representatives

A corporation that is a member can appoint one or more corporate representatives who may exercise, on its behalf, all its powers as a member provided that no more than one corporate representative exercises powers over the same share.

16. Issued shares and total voting rights

As at 27 March 2026, the Company's issued share capital comprised 205,543,740 Ordinary Shares of £0.01 each (excluding 250,000 shares held in treasury). Each Ordinary Share carries the right to one vote at a General Meeting of the Company and, therefore, the total number of voting rights in the Company on 27 March 2026 is 205,543,740. The website referred to in note 2 will include information on the number of shares and voting rights.

17. Questions at the Meeting

Under Section 319A of the Act, the Company must answer any question you ask relating to the business being dealt with at the Meeting unless:

- answering the question would interfere unduly with the preparation for the Meeting or involve the disclosure of confidential information;
- the answer has already been given on a website in the form of an answer to a question; or
- it is undesirable in the interests of the Company or the good order of the Meeting that the question be answered.

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18. Website publication of audit concerns

Under Section 527 of the Companies Act 2006, Shareholders meeting the threshold requirements set out in that section have the right to require the Company to publish on a website a statement setting out any matter relating to: (i) the audit of the Company's financial statements (including the Auditor's Report and the conduct of the audit) that are to be laid before the Meeting; or (ii) any circumstances connected with an auditor of the Company ceasing to hold office since the previous meeting at which annual financial statements and reports were laid in accordance with Section 437 of the Companies Act 2006 (in each case) that the Shareholders propose to raise at the relevant meeting.

The Company may not require the Shareholders requesting any such website publication to pay its expenses in complying with Sections 527 or 528 of the Companies Act 2006. Where the Company is required to place a statement on a website under Section 527 of the Companies Act 2006, it must forward the statement to the Company's auditor not later than the time when it makes the statement available on the website. The business which may be dealt with at the Meeting for the relevant financial year includes any statement that the Company has been required under Section 527 of the Companies Act 2006 to publish on a website.

19. Documents on display

Copies of the letters of appointment of the Directors of the Company and a copy of the Articles of Association of the Company will be available for inspection at the registered office of the Company from the date of this notice until the end of the Meeting.

Shareholder communications

The majority of Shareholders choose to receive Annual Reports and Notices of meetings electronically. This has a number of advantages for the Company and its Shareholders. It increases the speed of communication, saves you time and reduces print and distribution costs and our impact on the environment.

Company law requires that the Company asks Shareholders to consent to the receipt of communications electronically and via a website[a]. Please note that if you consent to website publication you will continue to be notified in writing and through the release of an announcement on the London Stock Exchange each time the Company places a statutory communication on the website. Annual Reports and other documents which are required to be sent to Shareholders ('shareholder information') are published on our website at **mandg.com/creditincomeinvestmenttrust** If you consent, the website will be the way in which you access all future shareholder information.

Please note that you still have the right to request hard copies of shareholder information at no charge.

- If you would like to receive notifications by email, you can register your email address via the Share Portal **signalshares.com** or write to FREEPOST SAS, 29 Wellington Street, LS1 4DL (no stamp or further address detail is required). Please write in BLOCK CAPITALS.
- If you would like to receive shareholder information by means of a website, there is nothing more you need to do. You will be notified by post when shareholder information has been placed on the website.
- If you would like to receive shareholder information in hard copy form, you can register your request via the Share Portal **signalshares.com** or write to FREEPOST SAS, 29 Wellington Street, LS1 4DL (no stamp or further address detail is required). Please write in BLOCK CAPITALS.

Please note that if you hold your shares corporately or in a CREST account, you are not able to use the Share Portal to inform us of your preferred method of communication and should instead write to FREEPOST SAS, 29 Wellington Street, LS1 4DL (no stamp or further address detail is required). Please write in BLOCK CAPITALS.

If we do not receive a reply from you within 28 days of the date of dispatch of this notice, you will be deemed to have consented to website publication of shareholder information and you will not receive hard copies of shareholder information in the post.

[a] The Company reserves the right to send hard copy documents to Shareholders where, for example, overseas securities laws do not permit electronic communication or in other circumstances where the Company considers that electronic delivery may not be appropriate.

Additional shareholder information

Arrange to have your dividends paid direct into your bank account

This means that:

- Your dividend reaches your bank account on the payment date.
- It is more secure – cheques can sometimes get lost in the post.
- You don't have the inconvenience of depositing a cheque.
- Helps reduce cheque fraud.

If you have a UK bank account you can sign up for this service on Signal shares (by clicking on 'your dividend options' and following the on screen instructions).

Company information

Directors (all non-executive)
David Simpson (Chairman)
Richard Boléat (Chairman of the Audit Committee)
Barbara Powley (Senior Independent Director)
Jane Routledge
Christiane Elsenbach (appointed 26 February 2026)

Registered Office
19th Floor, 51 Lime Street, London EC3M 7DQ

AIFM and Investment Manager
M&G Alternatives Investment Management Limited (MAGAIM)[a]
10 Fenchurch Avenue, London EC3M 5AG
Website: **mandg.com/investments/private-investor/en-gb**
Telephone: +44 (0) 800 390 390

Administrator
State Street Bank and Trust Company[a]
20 Churchill Place, London E14 5HJ

Company Secretary
MUFG Corporate Governance Limited
Central Square, 29 Wellington Street, Leeds LS1 4DL
Telephone: 0333 300 1932

Broker
Winterflood Securities Limited[a]
Riverbank House, 2 Swan Lane, London EC4R 3GA

Solicitors
Herbert Smith Freehills LLP[a]
Exchange House, Primrose Street, London EC2A 2EG

Auditor
BDO LLP
55 Baker Street, London W1U 7EU

Registrar and transfer office
MUFG Corporate Markets
Shareholder Services Department
Central Square, 29 Wellington Street, Leeds LS1 4DL

Telephone: 0371 664 0300
(Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. Lines are open between 09:00 – 17:30, Monday to Friday excluding public holidays in England and Wales).
Email: **shareholderenquiries@cm.mpms.mufg.com**
Website: **eu.mpms.mufg.com**

Depositary
State Street Trustees Limited[a]
20 Churchill Place, London E14 5HJ

Custodian
State Street Bank and Trust Company[a]
20 Churchill Place, London E14 5HJ

Banker
State Street Bank International GmbH
Brienner Straße 59, 0333 Munich, Germany

Association of Investment Companies (AIC)
The Company is a member of the AIC, which publishes monthly statistical information in respect of member companies.

The AIC can be contacted on 020 7282 5555, **enquiries@theaic.co.uk** or visit the website: **theaic.co.uk**

Company website
mandg.com/creditincomeinvestmenttrust

[a] Authorised and regulated by the Financial Conduct Authority.

Alternative performance measures

Net Asset Value (NAV) per Ordinary Share

The NAV, also described as shareholders' funds, is the value of the Company's assets less its liabilities. The NAV per Ordinary Share is calculated by dividing the NAV by the number of Ordinary Shares in issue (excluding treasury shares).

Ongoing charges

The ongoing charges figure has been prepared in accordance with guidance issued by the Association of Investment Companies. It is calculated by taking the Company's ongoing expenses (representing the total of the investment management fee and other expenses, excluding non-recurring items, certain finance costs and the cost of buying back or issuing shares), expressed as a percentage of the average net assets of the Company over the reporting year.

	Year ended 31 December 2025 £'000	Year ended 31 December 2024 £'000
Ongoing charges are calculated with reference to the following figures:		
Investment management fee	1,188	937
Other expenses[a]	837	798
Total expenses for the year	2,025	1,735
Ongoing expenses	**1,966**	**1,753**
Average net assets over the year	**167,342**	**136,544**
Ongoing charges figure	1.18%	1.28%

[a] Includes the commitment fee on the revolving credit facility.

Premium/discount to NAV

The premium is the amount by which the share price of an investment trust exceeds the NAV per Ordinary Share. The discount is the amount by which the NAV per Ordinary Share exceeds the share price of an investment trust. The premium/discount is normally expressed as a percentage of the NAV per Ordinary Share.

Total return

Total return is the return to shareholders that measures the combined effect of any dividends paid in the period with the increase or decrease in the share price or NAV per share.

Share price total return

Total return to shareholders, assuming all dividends received were reinvested at the mid-market price without transaction costs into the shares of the Company at the time the shares were quoted ex-dividend.

	Year ended 31 December 2025 £'000	Year ended 31 December 2024 £'000
Opening share price	96.6p	92.2p
Dividends paid	7.86p	8.58p
Effect of dividend reinvested	0.25p	0.45p
Closing share price	95.0p	96.6p
Adjusted closing share price	103.1p	105.6p
Share price total return	6.7%	14.6%

Alternative performance measures

NAV total return

Total return on NAV per share assuming dividends paid by the Company were reinvested into the shares of the Company at the NAV per share at the time the shares were quoted ex-dividend.

	Year ended 31 December 2025 £'000	Year ended 31 December 2024 £'000
Opening NAV per share	95.11p	96.21p
Dividends paid	7.86p	8.58p
Effect of dividend reinvested	0.24p	0.29p
Closing NAV per share	92.91p	95.11p
Adjusted closing NAV per share	101.01p	103.98p
NAV total return	6.2%	8.1%

Dividend yield

The annual dividend expressed as a percentage of the share price.

	Year ended 31 December 2025 £'000	Year ended 31 December 2024 £'000
Dividends declared per Ordinary Share[a]	7.62p	8.53p
Ordinary Share price	95.0p	96.6p
Dividend yield	8.0%	8.8%

[a] Based on dividends declared in respect of the previous 12 months.

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Adjusted opening NAV The opening NAV, adjusted for the payment of the last dividend in respect of the previous financial year.

Asset Anything having commercial or exchange value that is owned by a business, institution or individual.

ABS (Asset backed security) A security whose income payments and value are derived from and collateralised by a specified pool of underlying assets.

Asset class Category of assets, such as cash, company shares, fixed income securities and their sub-categories, as well as tangible assets such as real estate.

Association of Investment Companies (AIC) The UK trade body that represents investment managers. It works with investment managers, liaising with government on matters of taxation and regulation, and also aims to help investors understand the industry and the investment options available to them.

AUM Assets under management.

Basis points (bps) A common unit of measure for interest rates and other percentages in finance. One basis point is equal to 1/100th of 1%, or 0.01%, or 0.0001, and is used to denote the percentage change in a financial instrument.

Bond A loan in the form of a security, usually issued by a government or company, which normally pays a fixed rate of interest over a given time period, at the end of which the initial amount borrowed is repaid.

Callable bond A bond that can be redeemed (in other words, called) by the issuer before its maturity date. The price at which the issuer buys back the bond is normally higher than its issue price. A bond is usually called when interest rates fall, so that the issuer can refinance its debt at the new, lower interest rates.

Capital Refers to the financial assets, or resources, that a company has to fund its business operations.

Capitalisation The total market value of all of a company's outstanding shares.

CTA Corporation Tax Act.

CLO (Collateralised loan obligation) Actively managed investment vehicle which issues rated tranches of debt from AAA-B and an unrated equity tranche. Underlying assets are predominantly made up of leveraged loans and high yield bonds.

Closed-ended A term used to describe an investment company whose capital is fixed and whose shares are not generally redeemable at the option of a holder.

CMBS (Commercial mortgage-backed security) A type of asset-backed security which is collateralised by a commercial real estate asset, either a single property, or – more often – a portfolio of several properties.

Comparative sector A group of investment companies with similar investment objectives and/or types of investment, as classified by bodies such as the AIC or Morningstar™. Sector definitions are mostly based on the main assets an investment company should invest in, and may also have a geographic focus. Sectors can be the basis for comparing the different characteristics of similar investment companies, such as their performance or charging structure.

Consumer Prices Index (CPI) An index used to measure inflation, which is the rate of change in prices for a basket of goods and services. The contents of the basket are meant to be representative of products and services we typically spend our money on.

Convertible bonds Fixed income securities that can be exchanged for predetermined amounts of company shares at certain times during their life.

Corporate bonds Fixed income securities issued by a company. They are also known as bonds and can offer higher interest payments than bonds issued by governments as they are often considered more risky.

Credit The borrowing capacity of an individual, company or government. More narrowly, the term is often used as a synonym for fixed income securities issued by companies.

Credit default swaps (CDS) Are a type of derivative, namely financial instruments whose value, and price, are dependent on one or more underlying assets. CDS are insurance-like contracts that allow investors to transfer the risk of a fixed income security defaulting to another investor.

Credit rating An independent assessment of a borrower's ability to repay its debts. A high rating indicates that the credit rating agency considers the issuer to be at low risk of default; likewise, a low rating indicates high risk of default. Standard & Poor's, Fitch and Moody's are the three most prominent credit rating agencies. Default means that a company or government is unable to meet interest payments or repay the initial investment amount at the end of a security's life.

Credit spread The difference between the yield of a corporate bond, a fixed income security issued by a company, and a government bond of the same life span. Yield refers to the income received from an investment and is expressed as a percentage of the investment's current market value.

Debt instrument A formal contract that a government, a business or an individual can use to borrow money. Debt instruments outline the detailed conditions of the loan, such as the amount and schedule of payment of interest, the length of time before the principal is paid back, or any guarantees (collateral) that the borrower offers. Any type of debt can be a debt instrument – from bonds and loans to credit cards.

Default When a borrower does not maintain interest payments or repay the amount borrowed when due.

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Derivatives Financial instruments whose value, and price, are dependent on one or more underlying assets. Derivatives can be used to gain exposure to, or to help protect against, expected changes in the value of the underlying investments. Derivatives may be traded on a regulated exchange or traded over the counter.

Developed economy or market Well-established economies with a high degree of industrialisation, standard of living and security.

Dividend Dividends represent a share in the profits of the company and are paid out to a company's shareholders at set times of the year.

ECB (European Central Bank) Central bank of the 19 European Union countries which have adopted the euro.

Emerging economy or market Economies in the process of rapid growth and increasing industrialisation. Investments in emerging markets are generally considered to be riskier than those in developed markets.

Episode A phase during which investors allow their emotions to affect their decision making, which can cause financial markets to move irrationally.

Equities Shares of ownership in a company.

Ex-dividend, ex-distribution or XD date The date on which declared distributions or dividends officially belong to underlying investors.

Exposure The proportion of an investment company invested in a particular share/fixed income security, sector/region, usually expressed as a percentage of the overall portfolio.

Fixed income security A loan in the form of a security, usually issued by a government or company, which normally pays a fixed rate of interest over a given time period, at the end of which the initial amount borrowed is repaid.

Floating rate notes (FRNs) Securities whose interest (income) payments are periodically adjusted depending on the change in a reference interest rate.

Gearing Is a measure of financial leverage that demonstrates the degree to which the Investment Trust's operations are funded by equity capital versus creditor financing.

Gilts Fixed income securities issued by the UK Government.

Government bonds Fixed income securities issued by governments, that normally pay a fixed rate of interest over a given time period, at the end of which the initial investment is repaid.

Hard currency (bonds) Refers to bonds denominated in a highly traded, relatively stable international currency, rather than in the bond issuer's local currency. Bonds issued in a more stable hard currency, such as the US dollar, can be more attractive to investors where there are concerns that the local currency could lose value over time, eroding the value of bonds and their income.

Hedging A method of reducing unnecessary or unintended risk.

High yield bonds Fixed income securities issued by companies with a low credit rating from a recognised credit rating agency. They are considered to be at higher risk of default than better quality, ie higher rated fixed income securities but have the potential for higher rewards. Default means that a company or government is unable to meet interest payments or repay the initial investment amount at the end of security's life.

Index An index represents a particular market or a portion of it, serving as a performance indicator for that market.

Index-linked bonds Fixed income securities where both the value of the loan and the interest payments are adjusted in line with inflation over the life of the security. Also referred to as inflation-linked bonds.

Inflation The rate of increase in the cost of living. Inflation is usually quoted as an annual percentage, comparing the average price this month with the same month a year earlier.

Investment grade bonds Fixed income securities issued by a company with a medium or high credit rating from a recognised credit rating agency. They are considered to be at lower risk from default than those issued by companies with lower credit ratings. Default means that a company or government is unable to meet interest payments or repay the initial investment amount at the end of a security's life.

Investment trust An investment trust is a form of collective investment fund found mostly in the United Kingdom. Investment trusts are closed-end funds and are constituted as public limited companies.

IRR Internal Rate of Return.

IPO Initial Public Offering. The process of offering shares of a private corporation to the public.

Issuer An entity that sells securities, such as fixed income securities and company shares.

Leverage When referring to a company, leverage is the level of a company's debt in relation to its assets. A company with significantly more debt than capital is considered to be leveraged. It can also refer to an investment company that borrows money or uses derivatives to magnify an investment position.

LIBOR The three-month GBP London Interbank Borrowing Rate is the rate at which banks borrow money from each other (in UK pounds) for a three-month period.

Liquidity A company is considered highly liquid if it has plenty of cash at its disposal. A company's shares are

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considered highly liquid if they can be easily bought or sold since large amounts are regularly traded.

Liquidity Opportunity The opportunity to the Shareholders to realise the value of some or all of their Ordinary Shares at NAV per Ordinary Shares less costs, as set out in the Company's Articles of Association unless the Board is directed by shareholders by way of a special resolution not to offer such Liquidity Opportunity.

Local currency (bonds) Refers to bonds denominated in the currency of the issuer's country, rather than in a highly traded international currency, such as the US dollar. The value of local currency bonds tends to fluctuate more than bonds issued in a hard currency, as these currencies tend to be less stable.

Long position Refers to ownership of a security held in the expectation that the security will rise in value.

Macroeconomic Refers to the performance and behaviour of an economy at the regional or national level. Macroeconomic factors such as economic output, unemployment, inflation and investment are key indicators of economic performance. Sometimes abbreviated to 'macro'.

Maturity The length of time until the initial investment amount of a fixed income security is due to be repaid to the holder of the security.

Mezzanine tranche A generally small layer of corporate debt positioned between the senior tranche (mostly AAA) and a junior tranche (unrated, typically called equity tranche).

Modified duration A measure of the sensitivity of a fixed income security, also called a bond, or bond fund to changes in interest rates. The higher a bond or bond fund's modified duration, the more sensitive it is to interest rate movements.

Monetary policy A central bank's regulation of money in circulation and interest rates.

Morningstar™ A provider of independent investment research, including performance statistics and independent investment company ratings.

Near cash Deposits or investments with similar characteristics to cash.

Net asset value (NAV) An investment company's NAV is calculated by taking the current value of its assets and subtracting its liabilities.

NAV total return A measure showing how the net asset value (NAV) per share has performed over a period of time, taking into account both capital returns and dividends paid to shareholders.

NAV total return is expressed as a percentage change from the start of the period. It assumes that dividends paid to shareholders are reinvested at NAV at the time the shares are quoted ex-dividend.

NAV total return shows performance which is not affected by movements in share price discounts and premiums. It also takes into account the fact that different investment companies pay out different levels of dividends.

Non-executive Director (NED) A non-executive Director is a member of a company's board of directors who is not part of the executive team. A non-executive Director typically does not engage in the day-to-day management of the organisation, but is involved in policy making and planning exercises.

Official List The Official List (or UKLA Official List) is the list maintained by the Financial Conduct Authority in accordance with Section 74(1) of the Financial Services and Markets Act 2000 (the Act) for the purposes of Part VI of the Act.

Ongoing charges figure The ongoing charges figure has been prepared in accordance with guidance issued by the Association of Investment Companies. It is calculated by taking the Company's ongoing expenses (representing the total of the investment management fee and other expenses, excluding non-recurring items, certain finance costs and the cost of buying back or issuing shares), expressed as a percentage of the average net assets of the Company over the reporting year.

Options Financial contracts that offer the right, but not the obligation, to buy or sell an asset at a given price on or before a given date in the future.

Ordinary Share Ordinary Share is the only class of shares issued and benefits from all the income and capital growth in the portfolio.

Overweight If an investment company is 'overweight' in a stock, it holds a larger proportion of that stock than the comparable index or sector.

Payment date The date on which dividends will be paid by the investment company to investors.

Private debt instruments These instruments not traded on a stock exchange and typically issued to small groups of institutional investors.

Public debt instruments These instruments refers to assets that are listed on a recognised exchange.

REIT (real estate investment trust) A REIT is a company that owns, operates or finances income-producing real estate.

Retail Prices Index (RPI) A UK inflation index that measures the rate of change of prices for a basket of goods and services in the UK, including mortgage payments and council tax.

Revolving credit facility A line of credit (essentially a loan agreement) is established between a bank and a business from which the business can draw funds at any time as needed. The bank sets a ceiling for the loan.

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RMBS (Residential mortgage-backed security) A type of asset-backed security which is collateralised by a portfolio of residential properties.

Securitise/securitisation The creation and issuance of tradeable securities, such as bonds, that are backed by the income generated by an illiquid asset or group of assets. By pooling a collection of illiquid assets, such as mortgages, securities backed by the mortgages' income payments can be packaged and sold to a wider range of investors.

Senior tranche The highest tranche of a debt security, ie the one deemed least risky. Any losses on the value of the security are only experienced in the senior tranche once all other tranches have lost all their value. For this relative safety, the senior tranche pays the lowest rate of interest.

Share price total return Total return to shareholders, assuming all dividends received were reinvested at the mid-market price without transaction costs into the shares of the company at the time the shares were quoted ex-dividend.

Short position A way for an Investment Manager to express his or her view that the market might fall in value.

Short dated corporate bonds Fixed income securities issued by companies and repaid over relatively short periods.

Short dated government bonds Fixed income securities issued by governments and repaid over relatively short periods.

SMEs (Small and medium-sized enterprise) A business defined in the United Kingdom by reference to staff headcount (less than 250 employees) and annual turnover (less than £25 million).

SONIA (Sterling Overnight Index Average) SONIA is an interest rate index administered by the Bank of England and based on actual transactions. It reflects the average interest rate that banks pay to borrow sterling overnight from other banks and institutional investors.

Spread duration A measure of the portfolio's sensitivity to changes in credit spreads.

Sub-investment grade bonds Fixed income securities issued by a company with a low rating from a recognised credit rating agency. They are considered to be at higher risk from default than those issued by companies with higher credit ratings. Default means that a company or government is unable to meet interest payments or repay the initial investment amount at the end of a security's life.

Swap A swap is a derivative contract where two parties agree to exchange separate streams of cash flows. A common type of swap is an interest rate swap to hedge against interest rate risk.

Synthetic inflation-linked bonds Refers to securities created using a combination of assets to simulate the characteristics of inflation-linked bonds. By buying inflation-linked government bonds and selling protection against companies defaulting on their debts, using credit default swaps, the combined synthetic investment will behave similarly to a physical inflation-linked bond, had one been issued. Synthetic inflation-linked bonds are usually created where a company does not have any inflation-linked bonds in issue.

Tap issuance programme A method of share issuance whereby the company issues shares over a period of time, rather than in one sale. A tap issue allows the company to make its shares available to investors when market conditions are most favourable.

Total return The term for the gain or loss derived from an investment over a particular period. Total return includes income (in the form of interest or dividend payments) and capital gains.

Treasury shares Shares that the company bought back from the marketplace and it keeps in its treasury; they do not count for the distribution of dividends or the calculation of earnings per share or net asset value per share. Also known as treasury stock.

Valuation The worth of an asset or company based on its current price.

Volatility The degree to which a given security, investment company, fund, or index rapidly changes. It is calculated as the degree of deviation from the norm for that type of investment over a given time period. The higher the volatility, the riskier the security tends to be.

Weighted average life (WAL) The asset-weighted average number of years to final maturity of the portfolio, based on the final maturity for all assets/exposures.

Yield This refers to either the interest received from a fixed income security or to the dividends received from a share. It is usually expressed as a percentage based on the investment's costs, its current market value or its face value. Dividends represent a share in the profits of a company and are paid out to the company's shareholders at set times of the year.

Yield to maturity The total return anticipated on the portfolio if the underlying bonds are held until maturity.

Zero Discount Policy On 30 April 2021, the Company announced a zero discount policy (the 'Policy') to manage the discount or premium to NAV at which the Company's Ordinary Shares trade. The Policy has been adopted so that shareholders benefit appropriately from the Company's investment objective which is to generate a regular and attractive level of income with low asset value volatility. The Company seeks to ensure that the Ordinary Shares trade close to NAV in normal market conditions through a combination of Ordinary Share buybacks and the issue of new Ordinary Shares, or resale of Ordinary Shares held in treasury, where demand exceeds supply.

Shareholder information and analysis

Website

The Company's website is **mandg.com/creditincomeinvestmenttrust**
The site provides visitors with Company information and literature downloads.

Annual and Half Year Reports

Copies of the Annual and Half Year Reports may be obtained from the Company by visiting **mandg.com/creditincomeinvestmenttrust**

Share prices and NAV information

The Company's Ordinary Shares of 1p each are quoted on the London Stock Exchange's (LSE) main market for listed securities:

Ordinary £0.01 shares
SEDOL number: BFYYL32
ISIN: GB00BFYYL325
Ticker: MGCI
LEI: 549300E9W63X1E5A3N24

The codes above may be required to access trading information relating to the Company on the internet.

The Company's NAV per share is released monthly to the London Stock Exchange and published on the Company's website.

Investing in the Company

The Company's shares can be bought or sold through a stockbroker or other financial intermediary.

The Ordinary Shares are permissible assets for a self-invested personal pension (SIPP) and a small self-administered scheme (SSAS) and are 'qualifying investments' for the stocks and shares component of an Individual Savings Account (ISA). Individuals wishing to invest in shares through an ISA, SIPP or SSAS should, however, contact their professional advisers regarding their eligibility.

Share register enquiries

The register for the Ordinary Shares is maintained by MUFG Corporate Markets. In the event of queries regarding your holding, please contact the Registrar on 0371 664 0300.

Changes of name and/or address must be notified in writing to the Registrar, at the address shown on page 116. You can check your shareholding and find practical help on transferring shares or updating your details at **signalshares.com**

Dividends

Shareholders who wish to have dividends paid directly into a bank account rather than by cheque to their registered address can complete a mandate form for the purpose. Mandate forms may be obtained from MUFG Corporate Markets on request from the address on page 116 or downloaded from their website **signalshares.com**
Alternatively If you have a UK bank account you can sign up for this service on Signal Shares, if you have already registered you can log in to record your bank account details. Once logged in, click on 'Manage your account' at the top of the screen and then select 'Payment Preferences' to record your bank details.

If you haven't registered you can do so and update your bank details immediately. Go to the home screen and follow the link under 'Register an account'. You'll need to enter your investor code, surname and postcode.

The Company operates the BACS system for the payment of dividends. Where dividends are paid directly into Shareholders' bank accounts, dividend tax vouchers are sent to Shareholders' registered addresses.

Key dates

Annual results	March
Annual General Meeting	May
Half Year results	September
Dividends declared	January, April, July, October

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Association of Investment Companies

The Company is a member of the AIC, which publishes monthly statistical information in respect of member companies. The AIC can be contacted on 020 7282 5555, **enquiries@theaic.co.uk** or visit the website: **theaic.co.uk**

Company registration

Registered in England and Wales. Company registration number 11469317.

Enquiries

Shareholders can contact the Company Secretary, MUFG Corporate Governance Limited at **mandgcredit@cm.mpms.mufg.com**

Shareholder warning

Many companies are aware that their shareholders have received unsolicited phone calls or correspondence concerning investment matters. These calls typically come from fraudsters operating in 'boiler rooms' offering investors shares that often turn out to be worthless or non-existent, or an inflated price for shares they own. While high profits are promised, those who buy or sell shares in this way usually lose their money.

These fraudsters can be very persistent and extremely persuasive. Shareholders are therefore advised to be very wary of any unsolicited advice, offers to buy shares at a discount or offers of free company reports.

It is very unlikely that either the Company or the Company's Registrar would make unsolicited telephone calls to Shareholders and that any such calls would relate only to official documentation already circulated to Shareholders and never in respect of investment 'advice'.

If you have been contacted by an unauthorised firm regarding your shares, you can report this using the FCA helpline on 0800 111 6768 or by using the share fraud reporting form at **fca.org.uk/consumers/scams**

Other regulatory disclosures

Alternative Investment Fund Managers ('AIFM') Directive

In accordance with the AIFMD, information in relation to the Company's leverage, pre-investment disclosures and the remuneration of the Company's AIFM are required to be made available to investors.

Leverage

For the purpose of the Alternative Investment Fund Manager (AIFM) Directive, leverage is any method that increases the Company's exposure, including the borrowing of cash and the use of derivatives.

It is expressed as the ratio of the Company's exposure to its NAV. This exposure must be calculated in two ways, the 'gross method' and the 'commitment method'.

Under the gross method, exposure represents the sum of the absolute values of all positions, so as to give an indication of overall exposure. Under the commitment method, exposure is calculated in a similar way, but after netting off hedges which satisfy certain strict criteria.

The Company's maximum and actual leverage levels at 31 December 2025 are shown below.

	Gross method	Commitment method
Maximum permitted limit	300%	150%
Actual	115%	101%

Pre-investment disclosures

The AIFMD requires certain information to be made available to investors in AIFs before they invest and requires that material changes to this information be disclosed in the Annual Report of each AIF. An Investor Disclosure Document, which sets out information on the Company's investment strategy and policies, leverage, risk, liquidity, administration, management, fees, conflicts of interest and other shareholder information is available on the website at **mandg.com/investments/investor-disclosure-document**

There have been no material changes (other than those reflected in these Financial Statements) to this information requiring disclosure. Any information requiring immediate disclosure pursuant to the AIFMD will be disclosed to the London Stock Exchange through a primary information provider.

Other regulatory disclosures

Remuneration

In line with the requirements of the Alternative Investment Fund Managers Directive ('AIFMD'), M&G Alternatives Investment Management Limited (the 'AIFM') is subject to a remuneration policy which is consistent with the principles outlined in the European Securities and Markets Authority guidelines on sound remuneration policies under the AIFMD.

The remuneration policy is designed to ensure that any relevant conflicts of interest can be managed appropriately at all times and that the remuneration of employees is in line with the risk policies and objectives of the alternative investment funds managed by the AIFM. Further details of the remuneration policy can be found here: **group.mandg.com/remuneration-policy** The remuneration policy and its implementation is reviewed on an annual basis, or more frequently where required, and is approved by the M&G plc Remuneration Committee. The most recent review found no fundamental issues and no material changes were made to the policy.

The AIFM is required under the AIFMD to make quantitative disclosures of remuneration. These disclosures are made in line with M&G's interpretation of currently available guidance on quantitative remuneration disclosures.

The AIFM does not employ any staff directly. The 'Identified Staff' of M&G Alternatives Investment Management Limited are those who could have a material impact on the risk profile of M&G Alternatives Investment Management Limited or the AIFs it manages (including M&G Credit Income Investment Trust plc) and generally includes senior management, risk takers and control functions. 'Identified Staff' typically provide both AIFMD and non-AIFMD related services and have a number of areas of responsibility across multiple entities. Therefore, only the portion of remuneration for those individuals' services which may be attributable to the AIFM is included in the remuneration figures disclosed. Accordingly the figures are not representative of any individual's actual remuneration. The information needed to provide a further breakdown of remuneration is not readily available and would not be relevant or reliable.

The amounts shown below reflect payments made in respect of the financial year 1 January 2025 to 31 December 2025.

	Fixed Remuneration £'000	Variable Remuneration (including carried interest) £'000	Total £'000	Beneficiaries
Senior Management	48	121	169	16
Other Identified Staff	2,571	21,293	23,864	17
Total	**2,619**	**21,414**	**24,033**	**33**

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M&G Investments