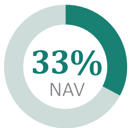
Investment review

Caledonia is a long term investor in both listed and private markets via three pools: Public Companies, Private Capital and Funds. Each investment pool is managed by a specialist team investing in well-managed businesses that combine long-term growth characteristics with, in many cases, an ability to deliver increasing levels of income.

To ensure that we maintain a balanced portfolio, each of our investment pools has a strategic allocation range. At 31 March 2025, all of our investment pools were within their strategic allocation ranges.

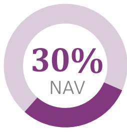
Public Companies



30%-40%

Strategic asset allocation

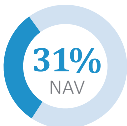
Private Capital



25%-35%

Strategic asset allocation

Funds



25%-35%

Strategic asset allocation

Overall performance

At 31 March 2025, the investment portfolio was valued at £2,732.7m, generating a return of 3.5% during the year. All investment pools contributed to growth, with performance delivered against a continuing backdrop of uncertainty and economic headwinds, underscoring the value of our diversified global portfolio of high-quality well-managed businesses with strong market fundamentals, alongside funds with strong track records of success.

Investment activity

During the year, we invested a total of £320.3m into the portfolio, against which £336.4m of proceeds were received, resulting in net inflow of £16.1m.

Geographic diversification

The following chart shows the distribution of the portfolio at 31 March 2025 between regions. The basis of this analysis is the country of listing for quoted securities, country of headquarter for unlisted investments and underlying regional analysis for funds.

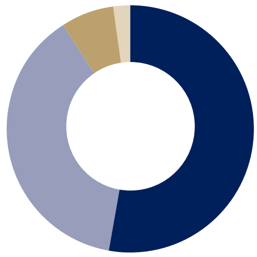
Geography by region (headquartered)

North America	45%
UK & Channel Islands	35%
Asia	11%
Europe	9%

Currency

The following chart analyses net assets at 31 March 2025 by currency exposure, based on the currencies in which investments, cash or other assets are denominated or traded. During the year, Sterling strengthened by 2.2% against the US dollar, adversely impacting our total return.

Currency exposure

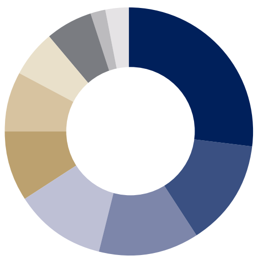


US dollar	53%
Pound Sterling	38%
Euro	7%
Other currencies	2%

Sector

The following chart shows the distribution of the portfolio at 31 March 2025 by sector, demonstrating a highly diverse sector exposure across our investments.

Sector



Industrials[1]	27%
Consumer discretionary	14%
Financials	13%
Information technology	12%
Funds of funds	9%
Healthcare	8%
Materials	6%
Consumer staples	6%
Communication services	2%
Other sectors	3%

1. Includes AIR-serv Europe, DTM and Cooke Optics

Investment movements in the year

	31 March 2024 £m	Investments £m	Realisations[3] £m	Accrued income £m	Gains/ (losses) £m	31 March 2025 £m	Income £m	Return[4] %
Public Companies	949.8	106.8	(114.2)	-	22.3	964.7	21.8	4.7
Private Capital	820.3	83.7	(48.6)	2.2	13.1	870.7	17.5	3.7
Funds	926.3	129.8	(173.6)	-	14.8	897.3	4.4	2.2
Total pools	2,696.4	320.3	(336.4)	2.2	50.2	2,732.7	43.7	3.5
Other investments[1]	18.0	-	(0.8)	-	(6.3)	10.9	9.0	
Total investments[2]	2,714.4	320.3	(337.2)	2.2	43.9	2,743.6	52.7	
Net cash	227.4					151.3		
Other net assets	23.5					36.7		
Net assets	2,965.3					2,931.6		

1. Other investments comprise legacy investments, cash, receivables and deferred tax liability in subsidiary investment entities.
2. Total investment portfolio at 31 March 2024 included £19.0m relating to one investment that was classified as assets held for sale in the Group's Statement of financial position and was realised during the year to 31 March 2025.
3. Private Capital realisation of £48.6m relates to the repayment of a bridge loan relating to the acquisition of DTM and the realisation of Bloom.
4. Returns for investments are calculated using the Modified Dietz methodology.

Investment review (continued)

Top 10 investments

At 31 March 2025, our top 10 investments were valued at £1,234.2m and represent 42.2% of net assets.

1

Stonehage Fleming

Sector
Financials

Investment pool
Private Capital

Value **£221.4m**

% of NAV **7.6%**

Largest independent multi-family office in EMEA, providing family office, fiduciary, investment management, corporate services, treasury and custody services.

Investment thesis
- attractive long-term growth dynamics of the ultra high net worth market
- geographic and product based acquisition strategy
- significant investment in technology platform and people.

2

AirServ

Sector
Industrials

Investment pool
Private Capital

Value **£197.7m**

% of NAV **6.7%**

Leading designer and manufacturer of air, vacuum and jet wash machines, providing turnkey solutions to fuel station forecourt operators across Western Europe.

Investment thesis
- expand the installed machine estate, focusing on jet wash and incremental air opportunities in the UK and air growth in existing and new European geographies
- create a standalone business, investing in people, operations and governance
- drive performance efficiencies and cash generation.

3

Cobepa

Sector
Financials

Investment pool
Private Capital

Value **£192.7m**

% of NAV **6.6%**

Belgian-based independent investment company with net assets of €5.1bn, investing in private businesses in Europe and North America.

Investment thesis
- first invested with Cobepa in 2004 and the investment has since delivered strong, compounding returns
- long-term partner, with similar investment philosophy to Caledonia Private Capital
- geographic diversification and source of potential co-investments.

4

Butcombe Group

Sector
Consumer Discretionary

Investment pool
Private Capital

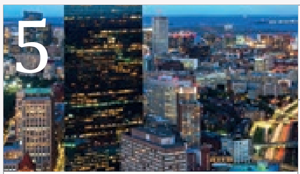
Value **£136.5m**

% of NAV **4.7%**

Inns and drinks business with a pub estate stretching from south-west London to Bristol and the Channel Islands.

Investment thesis
- defensive, asset backed business generating robust cash flow from its Channel Islands operations which is being reinvested in expanding the UK operations
- capital growth generated through targeted capex within the UK estate, both enhancing current assets and the acquisition of additional pubs
- market share gains and synergies from acquisitions.

5



HighVista Strategies

Sector
Diversified sector exposure

Investment pool
Funds

Value **£99.9m**

% of NAV **3.4%**

Private equity funds of funds investing in the US lower mid-market managed by HighVista Strategies.

Investment thesis
- provides diversified exposure to US private equity
- committed to five funds of funds.

Investments summary
Turn to page 158

6

Value **£90.1m**

% of NAV **3.1%**

PHILIP MORRIS INTERNATIONAL

Sector
Consumer discretionary

Investment pool
Public Companies

Leading international tobacco company, actively delivering a smoke-free future by transitioning its portfolio from predominantly combustible tobacco to smoke-free nicotine products.

Investment thesis
- market-leading position in smoke-free products, with IQOS and Zyn demonstrating strong growth and premium pricing power
- attractive economics and resilient cashflows with optionality to grow revenues further in the US over the medium term.

7

Value **£76.6m**

% of NAV **2.6%**

watsco THE COOLEST GREEN COMPANY

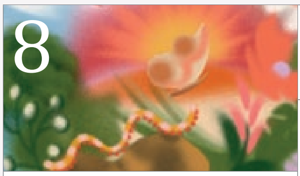
Sector
Industrials

Investment pool
Public Companies

Largest distributor of air conditioning, heating and refrigeration equipment in North America.

Investment thesis
- sustained investment in digitalisation of the business should support market share growth, margin improvement and enhance the attractiveness of Watsco as an owner of other smaller distributors
- continued positive industry dynamics should lead to strong compounding of earnings.

8



Value **£73.6m**

% of NAV **2.5%**

Microsoft

Sector
Information technology

Investment pool
Public Companies

Leading developer of computer software systems, applications and cloud services.

Investment thesis
- focuses on Microsoft's strength as a top tier cloud platform and a leader in enterprise software. In addition they are an important player in AI and are quickly integrating AI technology across their product range
- long duration of growth due to long term enterprise cloud transition with Microsoft's economics driven by Azure and Microsoft Office 365.

9

Value **£73.4m**

% of NAV **2.5%**

AXIOM ASIA Private Capital

Sector
Diversified sector exposure

Investment pool
Funds

A leading private equity investment firm focused on the Asia Pacific region with total commitments of over $8bn across 10 funds.

Investment thesis
- access to top-tier mid-market private equity funds diversified across buyout, growth and venture capital
- primarily invests in mid-market, country-specific funds with proven track records and strategies
- committed to five funds of funds.

10

Value **£72.3m**

% of NAV **2.5%**

ORACLE

Sector
Information technology

Investment pool
Public Companies

One of the largest global providers of products and services, including enterprise applications and infrastructure, for enterprise information management.

Investment thesis
- revenue growth should accelerate due to increasing demand for Oracle cloud infrastructure services
- long term economics benefit from the continued transition to a cloud and subscription based model.

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