

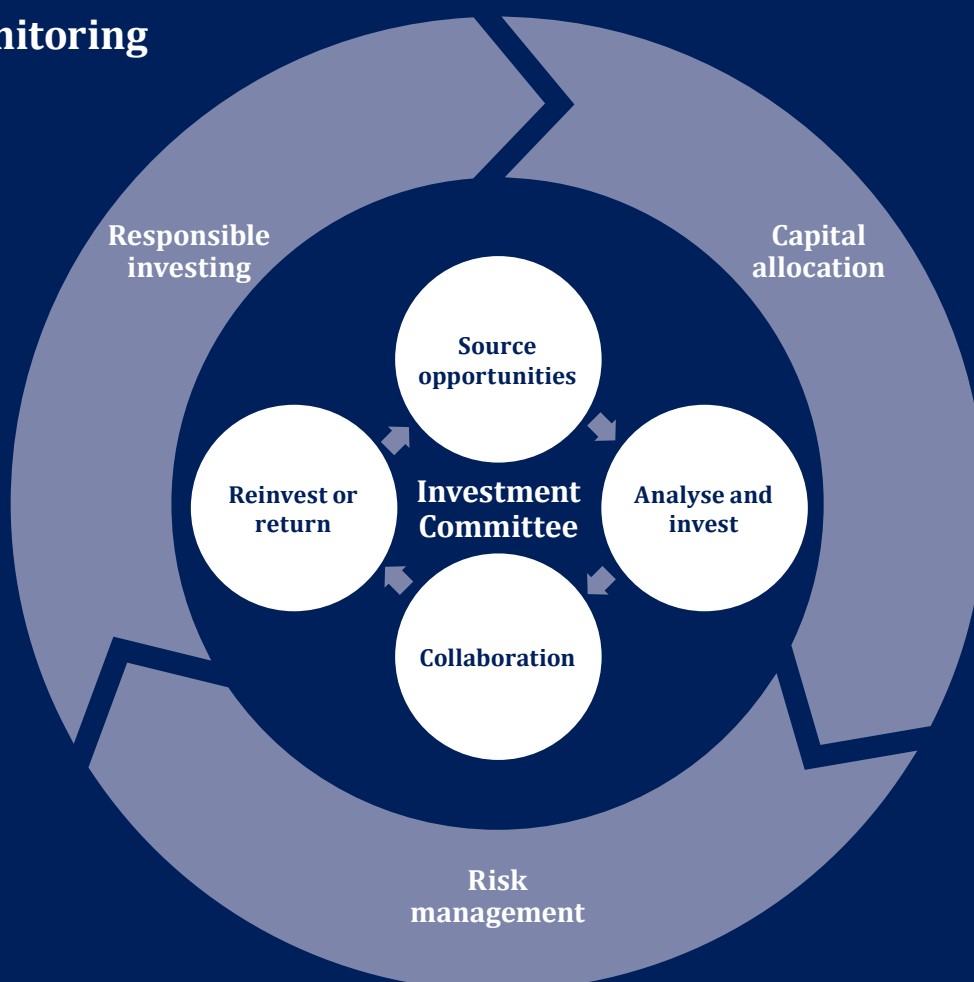
How we create value

We invest in proven, well-managed businesses that combine long-term growth characteristics with an ability to deliver increasing levels of income. We are a self-managed investment trust, and capitalise on our resources and relationships to identify opportunities, to deliver long-term capital growth and dividends for our shareholders.

Investment and monitoring

Key enablers of value

- expert team
- long term
- evergreen balance sheet
- investment process
- careful portfolio construction and risk mitigation
- reputation and network



Expert team

Our team has deep knowledge of the companies and sectors in which we invest. Our culture is centred around a collection of values that shape our approach to every aspect of investing: insightful, supportive, responsible, considered and long-term.

Long term

We buy to hold, investing in high-quality companies with strong market positions and fundamentals alongside investments in funds with track records of success.

Evergreen balance sheet

Our long term approach is underpinned by our evergreen balance sheet, which provides us with flexibility to invest in both private equity and quoted opportunities over longer timeframes (+10 year), and significantly reduces our investment cycle risk. We invest solely from the balance sheet and have no permanent corporate debt. We aim to maintain sufficient cash, liquid assets and committed facilities to cover our liabilities and commitments as they fall due.

Our investment process is tailored to the nature and risk of each investment pool. All investments are approved by the central Investment Committee with board approval required for investments and disposals over a defined threshold.

Investment pools

Public Companies

Target return

10.0% p.a. Capital portfolio
7.0% p.a. Income portfolio



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Private Capital

Target return

14.0% p.a.



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Funds

Target return

12.5% p.a.



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Who benefits



Our shareholders

Our shareholders provide Caledonia's permanent capital and it is for their benefit that the directors are required to promote the company's success



Our people

Our employees are our most important asset and we invest time to foster their professional development and wellbeing



Our portfolio companies and funds

We build rewarding relationships and a deep understanding of our investments



Suppliers

We build and value long-term relationships



Community

Through our foundation, we have an ongoing commitment to the wider community



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Investment process

Source opportunities

Opportunities are identified through our business network and our own research, with opportunities initially screened for characteristics which meet our strategic risk/return appetite.

Analyse and invest

Extensive and ongoing business and financial due diligence is conducted by the team, often with input from independent advisers, before a final investment decision is made.

Collaboration

We build long-term rewarding relationships while continuously monitoring performance and risk.

Reinvest or return

Proceeds from realisations are reinvested in new investment opportunities or returned to shareholders through dividends or share buybacks.

Careful portfolio construction and risk management

To achieve our target returns, we primarily invest in equities, on a global basis. We manage the risk of permanent loss of capital by diversifying our interests and avoiding excessively risky investments. Effective risk management is a key component of our investment approach and we consider a number of key risk areas which assist in ensuring that the investment pools operate within strategic risk parameters.

Reputation and network

Our reputation as a supportive and constructively involved long-term investor enables us to develop our network of business contacts. This network enables us to identify opportunities and carry out due diligence, as well as being invaluable to the management of our investee companies.