

Time



CALEDONIA
INVESTMENTS

Well

Invested

Caledonia is a FTSE 250 self-managed investment trust company with a long track record of delivering returns and progressive annual dividend payments to shareholders.

Our aim is to generate compounding real returns that outperform inflation by 3% to 6% over the medium to long term, and the FTSE All-Share index over 10 years.



Find out more
[SCAN QR CODE](#)

Strategic report

At a glance	2
What sets us apart?	4
Chair's statement	10
Chief Executive Officer's review	12
Our value creation model	16
Stakeholder engagement	18
Our group strategy & KPIs	22
Investment review	24
Financial review	38
Sustainability	42
Risk management	56
Going concern and viability	61

Governance

Chair's introduction	63
Board of directors	64
Corporate governance report	66
Nomination Committee report	71
Audit and Risk Committee report	73
Governance Committee report	78
Directors' remuneration report	79
Directors' report	100
Responsibility statements	104

Financial statements

Independent auditor's report	106
Financial statements	112
Material accounting policies	116
Notes to the financial statements	121

Other information

Company performance record	147
Investments summary	147
Glossary of terms and alternative performance measures	148
Valuation methodology	150
Information for investors	152
Directors and advisers	153

Our performance

The past year has again demonstrated the strengths of Caledonia's distinctive model and approach. Despite a volatile backdrop for the global economy we have delivered positive NAV growth, with contributions from all three of our investment pools. While market conditions impacted overall returns, we remain confident

in our high-quality, diversified portfolio and our ability to deliver over the long term. Through this period of market dislocation, the strength of our balance sheet is a clear advantage. We have the flexibility to deploy capital where we see compelling opportunities for long-term value creation.

£3.0bn

Net asset value ('NAV')
 (31 March 2025: £2.9bn)

5.4%

NAV per share total return^{1,2}
 (31 March 2025: 3.3%)

7.68p

Dividend per share²
 (31 March 2025: 7.36p)

4.4%

Dividend growth
 (31 March 2025: 4.5%)

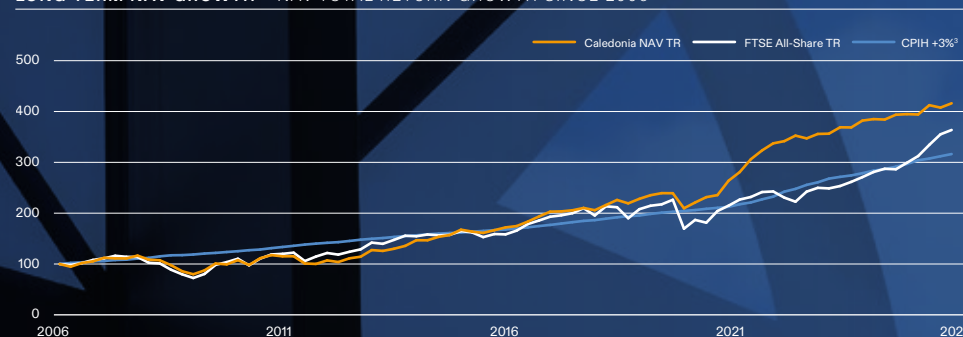
321p

Share price²
 (31 March 2025: 354p)

(7.1)%

Total shareholder return¹
 (31 March 2025: 10.2%)

LONG-TERM NAV GROWTH – NAV TOTAL RETURN GROWTH SINCE 2006



1. Alternative Performance Measure ('APM') – see page 148 for details.
2. On 25 July 2025, the company executed a 10:1 sub-division of its ordinary shares which reduced the nominal value from 5p to 0.5p. As a result of the increased number of ordinary shares now in issue, all net asset per share and dividend per share figures have been restated for the prior year comparatives.
3. Inflation measure is Consumer Prices Index including owner occupiers' housing costs ('CPIH').

What sets us apart?

Shaped by experience, guided by discipline and focused on the long term, we are different by design. The permanent nature of our balance sheet, combined with an approach grounded in Time Well Invested, means that everything we do is built on the foundation of:

-
- 1 Our successful track record [PAGE 4](#) [➔](#)

 - 2 Our globally diverse portfolio [PAGE 6](#) [➔](#)

 - 3 Our expert in-house team [PAGE 8](#) [➔](#)

At a glance



Time
Well
Invested

Our manifesto

We are investors, not traders, driven by fundamentals, not trends. We think in decades, not quarters, and invest time to make confident, well-balanced compounding investments and build rewarding partnerships.



Find out more

→ SCAN QR CODE

Our history

Caledonia traces its history back to the Cayzer family's shipping business, founded in the late 1800s. Towards the end of the boom in shipping, Caledonia was converted into a broader investment holding company, and later to an investment trust. As significant shareholders, the family's long-term perspective underpins how Caledonia is run today.



Find out more

→ SCAN QR CODE

At a glance *continued*

Our purpose

As trusted stewards of shareholder capital, our purpose is to protect and grow capital across generations - through high-quality investments that outperform inflation and public markets over the long term.

£3bn

NAV as at March 2026

59

Years of consecutive dividend growth

Chief Executive Officer's review

➔ PAGE 12

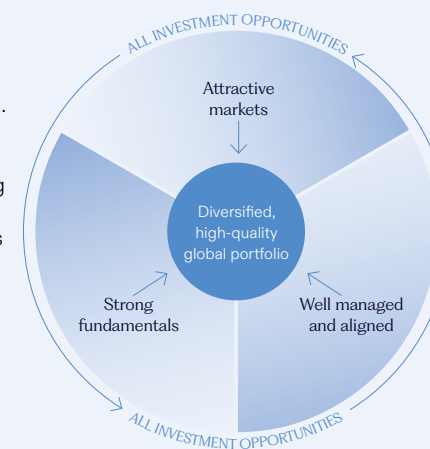


Our perspective

Driven by long-term investments in high-quality companies with the ability to compound value over time.

Our investment approach

We focus on identifying businesses and fund managers that meet three essential criteria. These principles are applied consistently across all three of our investment pools, reinforcing our disciplined, high-conviction approach and building portfolios designed to deliver resilient, long-term returns.



Our value creation model

➔ PAGE 16

Our portfolio

We invest in both listed and private markets across three pools: Public Companies, Private Capital and Funds. Each has a strategic allocation of capital, investment strategy and target return. The result is a well-balanced, diversified portfolio of investments with a global reach.

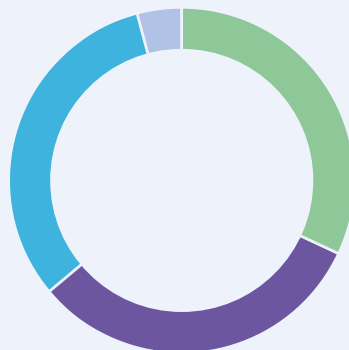
Long-term investors

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.

Investment review

➔ PAGE 24

PORTFOLIO BY POOL



Public Companies: 32%	£952m
Private Capital: 32%	£955m
Funds: 32%	£941m
Cash & other: 4%	£132m

Our strategic objectives

We harness the power of time to deliver sustainable real returns and progressive dividends for shareholders.

Our performance is measured against four strategic objectives:

- Outperform inflation**
Over the medium to long term
- Outperform FTSE All-Share**
Over 10 years
- Pay progressive dividends**
Increasing by inflation or more over the longer term
- Manage investment risk**

Our group strategy & KPIs

➔ PAGE 22

What sets us apart?

Compounding through cycles

9.2% p.a.
10-year NAVTR

59 years
Of consecutive dividend growth

1

Our successful track record
Delivering long-term real
returns for our stakeholders.

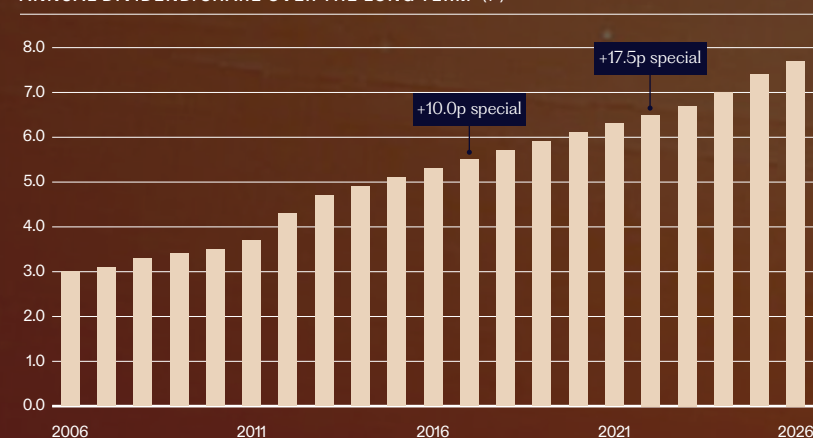
Delivering long-term real returns

We have a track record of generating long-term real returns, outperforming inflation and the FTSE All-Share Index over the past decade. This performance reflects the strength of our disciplined, high-conviction investment approach, our long-term mindset and the resilience of our portfolio, enabling us to look through market cycles and remain focused on value creation.

A progressive dividend

Our progressive dividend policy reflects the strength of our balance sheet across economic cycles. We have delivered 59 consecutive years of dividend growth – reinforcing our position as a trusted steward of capital and our commitment to grow capital and income in real terms.

ANNUAL DIVIDEND/SHARE OVER THE LONG TERM¹ (P)



1. On 25 July 2025, the company executed a 10:1 sub-division of its ordinary shares which reduced the nominal value from 5p to 0.5p. As a result of the increased number of ordinary shares now in issue, all net asset per share and dividend per share figures have been restated for the prior year comparatives.

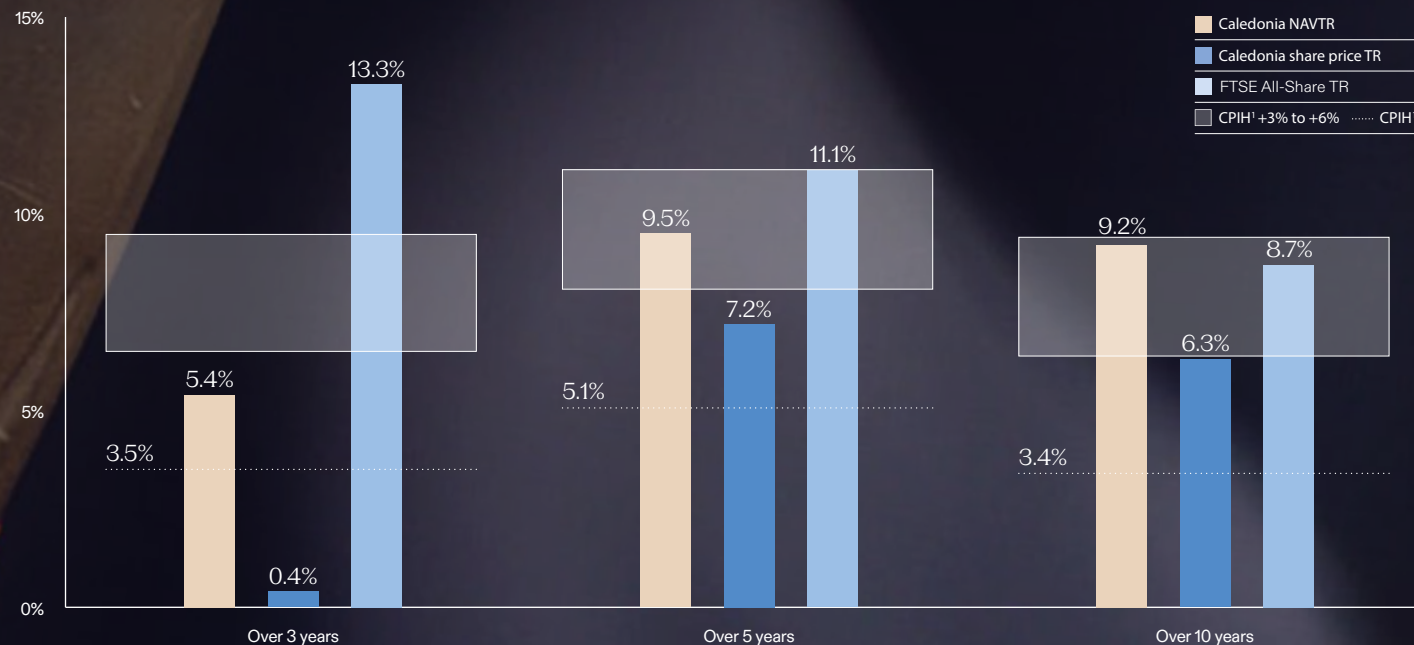
What sets us apart? continued

Our track record

Our strategy has generated attractive returns over time, supported by selective capital allocation and rigorous fundamental analysis.

Long-term performance

Annualised medium and long-term performance to 31 March 2026



1. Inflation measure is Consumer Prices Index including owner occupiers' housing costs ('CPIH').



“ We are proud of increasing the dividend every year for 59 years, demonstrating our commitment as trusted stewards to grow capital and income in real terms. ”

Mat Masters
Chief Executive Officer

5.8% p.a.

NAV outperformance of inflation over 10 years

5.3%

Dividend annualised growth over 59 years

What sets us apart? continued

Enabling focused investing

2

Our globally diverse portfolio
Providing our shareholders
access to three pools of capital.

Accessing three investment pools

As a long-term investor across both listed and private markets, providing shareholders with access to three distinct investment pools: Public Companies, Private Capital and Funds.

Together, these complementary pools broaden opportunity, enhance diversification and strengthen our ability to compound value over time.

Strategic allocation of capital

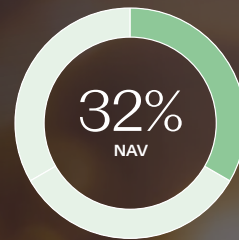
Each investment pool has a clearly defined strategic allocation of capital, distinct investment strategy and target return profile. Together, they create a well-balanced, globally diversified portfolio.

Permanent balance sheet

Investing from Caledonia's permanent balance sheet enables us to dedicate our time and attention entirely to identifying and investing in high-quality businesses at the right time.

Public Companies

- Two concentrated portfolios of 15 – 20 companies in each
- Highly liquid



Target return:

10% 7%

p.a. Capital p.a. Income

Strategic allocation:

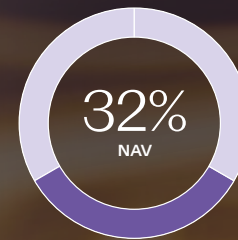
30%-40%

9.1% p.a.

10-year return

Private Capital

- Focused on up to 10 high-quality, UK mid-market companies
- Significant owners working in partnership with management to create value



Target return:

14%

p.a.

Strategic allocation:

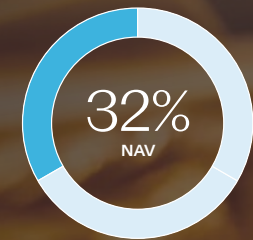
25%-35%

12.2% p.a.

10-year return

Funds

- Proven private equity managers in North America lower mid-market and Asia
- Highly diversified



Target return:

12.5%

p.a.

Strategic allocation:

25-35%

13.1% p.a.

10-year return

What sets us apart? *continued*

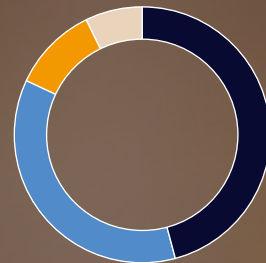
Diversification

The charts on the right demonstrate the diversification of our portfolio by region, sector and currency.

A diverse global portfolio

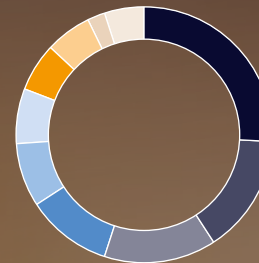
Driven by long-term investments in quality companies

GEOGRAPHY BY REGION (HEADQUARTERED)



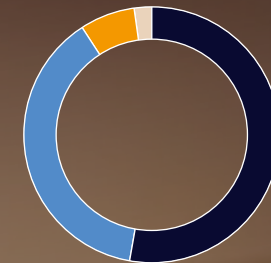
North America	46%
UK & Channel Islands	36%
Asia	11%
Europe	7%

SECTOR



Industrials ¹	26%
Financials ²	15%
Consumer discretionary	14%
Information technology	11%
Healthcare	8%
Funds of funds	7%
Consumer staples	6%
Materials	6%
Communication services	2%
Other sectors	5%

CURRENCY EXPOSURE



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

1. Includes Private Capital investments in AIR-serv Europe, DTM and Cooke Optics.
2. Includes Private Capital investment in Stonehage Fleming and Public Companies investments in Charles Schwab, Moody's Corporation, Polar Capital and Sabre Insurance.



“ Our portfolio gives our shareholders access to a broad opportunity set, the combination of, would be difficult to access directly on their own. ”

Rob Memmott
Chief Financial Officer

6.1%

Portfolio return
as at 31 March 2026

What sets us apart? **continued**

Combining experience & expertise

3

Our expert in-house team

An experienced investment team incentivised to be fully aligned with shareholders.

Expert team

Our expert team brings long-standing knowledge of the companies and sectors in which we invest, supported by many years of experience at Caledonia. This depth of insight and continuity strengthens our disciplined and selective investment process.

Fully focused on investing

As we do not manage external capital or undertake fundraising, we are free from the constraints of fund cycles and short-term capital pressures. This structure allows us to be patient, selective and remain fully focused on investing.

Aligned with shareholders

Alignment with shareholders is fundamental to our model. A meaningful proportion of remuneration is in Caledonia shares, vesting over three and five years, subject to performance. This structure ensures that our people think and act like owners, with incentives directly linked to long-term performance – fully aligned with shareholders.

26

Number of employees
in the investment team



£265m

Invested into our portfolio
in FY26

£257m

Realisations from our
portfolio in FY26

“ Caledonia’s structure means we can be wholly focused on investment, with the combination of permanent capital and no benchmark enabling us to take advantage of market opportunities without worrying about flows or short-term noise. ”

Ben Archer
Co-Head Public Companies

What sets us apart? **continued**

Our culture

Our culture is rooted in values that guide every aspect of our business. We invest in time - taking the care to be insightful in our decisions, supportive in our relationships, responsible in our actions, considered in our strategies and unwaveringly committed to a long-term vision.



Our values

Our values are the foundation of who we are. They guide our actions, shape the way we operate and inspire us to build meaningful relationships; both internally and with our external stakeholders.

Insightful & supportive

Through our extensive network of contacts, we identify and select companies and funds with strong fundamentals. We maintain effective and constructive relationships with the people, companies and funds in which we invest.

Flexible & responsible

We invest from our balance sheet which allows us to be flexible. Our disciplined investment process, with ESG factors considered, aligns with our risk appetite. We are fully aligned with shareholders' interests.

Considered & long term

Our independence and reputation enable us to take the long-term view, which is key to our goal of building generational wealth and delivering a steady and rising income for our shareholders.

“ It is not just what we do - it's the way we go about it that sets us apart. How we work together is a big part of what makes us effective. We are thoughtful, grounded and focused on doing things the right way. ”

Jamie Cayzer-Colvin
Head of Funds

Our people and culture

➔ PAGE 52



Chair's statement

Caledonia delivered another year of positive performance, with NAVTR of 5.4%, extending our track record of generating long-term real returns with annualised NAVTR of 9.2% over the last decade, outperforming inflation by 5.8% p.a.. The portfolio is constructed with a broad opportunity set and a long-term return objective. Whilst NAVTR was below the FTSE All-Share total return over the short term, we outperformed the index over 10 years.

Income and dividend

Total net investment income from the revenue account increased from £53.6m to £64.7m and total net revenue profit was £40.4m, sufficient to fully cover the dividend for the year. As previously reported, we expect a gradual reduction in investment income as we maintain our focus on total returns and, over time, anticipate that net distributions from our fund investments will play a more material role in dividend cover.

We remain committed to a progressive dividend policy which aims to increase annual dividends by at least the rate of inflation over the long term. The board has recommended a final dividend of 4.00p per share for the year ended 31 March 2026 which, if approved by shareholders, will be payable on 6 August 2026 to ordinary shareholders on the register on 3 July 2026. This represents a full-year dividend of 7.68p per share, an increase of 4.4% when compared to the previous year, and 59 consecutive years of increased annual dividends.

Discount and total shareholder return

Over the year the average share price discount to net asset value ('NAV') was 34.0%, widening significantly in March and ending the year at 43.4%, in part due to the Iranian conflict. This movement resulted in a disappointing total shareholder return for the year of -7.1%.

“I have been very proud to serve as Chair and, as I step down at this year's AGM, I do so with confidence in Caledonia's future.”

David Stewart
Chair

10:1

Share split, making Caledonia shares more accessible to a wider range of investors

4.4%

Increase in dividends
(31 March 2025: 4.5%)



Chair's statement *continued*

Whilst the discount narrowed to 37.1% at the end of April, we believe that the share price continues to undervalue the quality of our portfolio and our long-term performance track record.

The board regularly considers what additional steps could be taken to address the discount, which to date have included the following initiatives:

Dividend re-profiling

To provide shareholders with a more predictable and balanced income stream, during the year we re-profiled the interim dividend to 50% of the prior year's total.

Share split

To improve accessibility for a wider range of shareholders, following shareholder approval at last year's annual general meeting, a 10:1 share split was implemented on 25 July 2025. This reduced the nominal value of ordinary shares from 5p to 0.5p. The combination of the share split and the re-profiling of the dividend has made dividend re-investment easier.

Share buybacks

Alongside continued allocation to our investment strategy and our progressive dividend policy, we continue to invest in our own portfolio via share buybacks, which represents a lower-risk way to enhance NAV per share. In considering whether to undertake share buybacks, the board will continue to take into account the liquidity of the company's shares, the need to remain appropriately invested in the portfolio and the level of any discount at which the shares trade relative to NAV per share.

During the year, we allocated £34.6m to purchase and cancel 9,465,511 ordinary shares at an average discount of 34.7%, generating 3.49p of NAV per share accretion. The board is cognisant that share buybacks increase the percentage of voting rights held by the Cayzer family concert party (the 'Cayzer Concert Party'). The Cayzer Concert Party remains a long-term shareholder and the source of Caledonia's strong culture and long-term outlook. As at 31 March 2026, its holding in the company was 51.05%.

Investor communications

To ensure that our investment proposition is understood and more appropriately rated, we have continued to evolve our investor communications during the year. Our series of successful 'spotlight' events focused on each of our investment pools was a particular highlight, showcasing the quality of our portfolio, our differentiated investment approach and, importantly, the calibre of our people. We made further investment in our brand, successfully launching a new website in late 2025 and increased our participation in investor focused events. This enhanced level of engagement is expected to continue.

Board changes

There have been several changes to the composition of the board and its committees during the year. Lynn Fordham resigned as a non-executive director on 31 August 2025. I would like to thank her for the considerable contribution that she made during her time on the board. Farah Buckley was appointed as a member of the Audit and Risk Committee and subsequently succeeded Lynn as Chair of that Committee on 1 September 2025. We also welcomed Michael McLintock as a new non-executive director on 16 February 2026, bringing extensive investment management and listed company knowledge and experience to Caledonia.

Charles Cayzer, after a little over four decades of service, has decided not to stand for re-election as a non-executive director at this year's annual general meeting ('AGM'). Charles has been a significant asset to Caledonia during his long tenure and I, together with board colleagues past and present, have benefitted from his diligence and wise counsel.

My tenure as company Chair will end at the AGM. The board has appointed Will Wyatt as my successor. Will successfully led Caledonia as Chief Executive for over a decade until becoming a non-executive director in July 2022. He is a member of the Cayzer family and has a deep understanding of Caledonia's culture, investment strategy and long-term approach. Will's appointment follows the completion of a formal, rigorous and transparent process undertaken by the Nomination Committee

led by Guy Davison, Caledonia's Senior Independent Director. Major shareholders, who were consulted in advance, confirmed their broad support for his appointment.

Annual general meeting

Each year I look forward to meeting fellow shareholders in person at our AGM, which once again takes place in London, on 15 July 2026. This year, shareholders are also invited to meet me and my board colleagues informally ahead of the meeting.

Outlook

I have been very proud to serve as Chair and, as I step down at this year's AGM, I do so with confidence in Caledonia's future. The external

environment remains unsettled and is likely to continue to present further uncertainty. However, I believe Caledonia is well placed to navigate these challenges, supported by a high-quality portfolio, a robust balance sheet and a strong, experienced team.

I wish Will every success as he takes on the role of Chair and I would like to thank my board colleagues, the management team and colleagues across the business for their commitment and support.

David Stewart

Chair
18 May 2026

Enhancing our shareholder communications

INVESTING IN OUR BRAND

New website launched providing greater insight

Our refreshed website strengthens how we communicate with shareholders, offering clearer insight into our strategy, investment activity and performance. It provides a more accessible platform for timely updates, deeper portfolio information and more consistent engagement with shareholders throughout the year.



Find out more
→ SCAN QR CODE

SPOTLIGHT EVENTS

Sharing industry insight and expertise

Our 'spotlight' events were designed for investors and analysts to provide detailed insight into each of the three investment pools. They offered a platform to share perspectives from across Caledonia's investment network, highlighting portfolio companies, market themes and long-term thinking.



Find out more
→ SCAN QR CODE

Chief Executive Officer's review

Our thoughtful, long-term compounding investments delivered another year of positive performance.

Time Well Invested

5.4%

NAV total return
as at 31 March 2026

9.2% p.a.

NAV total return over 10 years

Chief Executive Officer's review continued



“While having a high-quality portfolio matters, it is nothing without the quality of the people behind it. It is important to surround yourself with great people — the teams we back and my colleagues at Caledonia.”

Mat Masters
Chief Executive Officer

Q&A

Mat Masters shares his perspective on our strategy, market environment and lessons from his 20 years' service at Caledonia.

Q: How would you describe Caledonia's performance this year?

A: We delivered a solid performance of 5.4% NAVTR in what was a highly unsettled environment – against a backdrop of geopolitical uncertainty, volatile markets and rapid shifts in sentiment, particularly the impact of artificial intelligence ('AI'). All three of our investment pools contributed positively to growth, which speaks to the resilience and diversification of the portfolio.

More broadly, the year demonstrated the strengths of our model. We are not trying to predict every short-term market move; we are focused on owning high-quality businesses, backing experienced managers and allocating capital prudently. That long-term, disciplined approach, combined with a strong balance sheet and significant liquidity, means we are well placed not only to withstand uncertainty but also to take advantage of opportunities as they arise.

Q: Caledonia has a majority shareholder in the Cayzer family – how does this benefit the rest of your shareholders?

A: We are now in the 7th generation of the Cayzer family and that brings a genuinely long-term perspective. Caledonia was established to protect and grow multigenerational wealth – with a focus on compounding capital and income over time. Importantly, all shareholders invest on exactly the same terms. The family shareholding provides stability, reinforces our long-term perspective and allows us to stay focused on building value steadily.

Q: TSR has been disappointing and despite positive NAV growth, the shares continue to trade at a significant discount. How are you addressing this?

A: We recognise that TSR has been disappointing and that the discount remains wide. Addressing it is a clear priority for the board. During the year we allocated £35m to share buybacks, enhanced our investor engagement, implemented a share split to broaden accessibility and re-profiled the interim dividend to provide a more predictable income stream. Ultimately, we believe the best way to close that gap is to continue delivering strong long-term NAV growth while ensuring the quality of our investment proposition is better understood by the market.

Q: What is your perspective on AI and its implications for Caledonia?

A: AI is clearly an important long-term theme, but I would not characterise our approach as chasing it or fearing it. We are clearly very mindful of both the opportunities and the volatility it can create. It contributed to a significant re-rating in Oracle, where we took gains and managed our exposure, and reinforced the importance of staying disciplined amid fast-moving market sentiment. For Caledonia, the implication is that AI will continue to shape markets and create opportunities, but our focus remains on fundamentals, selective capital allocation and active risk management.

Q: With substantial liquidity and a strong balance sheet, how are you thinking about capital allocation from here – between backing new opportunities, maintaining flexibility and continuing share buybacks where appropriate?

A: Our first priority is to allocate capital selectively to the best opportunity. Because we invest our balance sheet, we have the flexibility to act decisively when attractive opportunities arise, without relying on fundraising.

Following completion of the Stonehage Fleming sale, Private Capital will be underinvested, so we would like to re-deploy a meaningful proportion of the proceeds to this pool. However, we are in no rush, being comfortable holding additional cash until we see opportunities that meet our return and quality thresholds. Share buybacks remain an important tool where they are clearly in shareholders' interests, but they must be balanced against staying well invested and retaining flexibility for future opportunities.

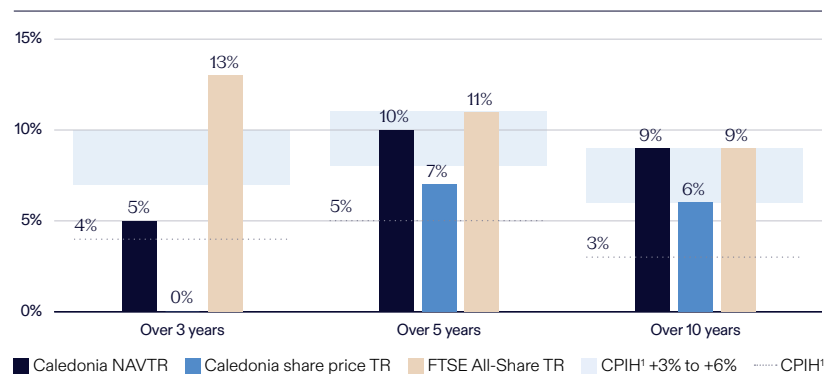
Q: You recently celebrated 20 years' service at Caledonia, what have those two decades taught you?

A: I have learned that successful long-term investing is as much about temperament as it is about judgement. Markets, technologies and geopolitics will always change, often in unpredictable ways, but the principles that matter most are more constant: backing high-quality businesses, maintaining a strong balance sheet, allocating capital prudently and staying focused on the long term. I have also learned that, while having a high-quality portfolio matters, it is nothing without the quality of the people behind it. I have come to appreciate just how important it is to surround yourself with great people – the teams we back and my colleagues at Caledonia. Those are the principles that have stood the test of time and are central to our success.

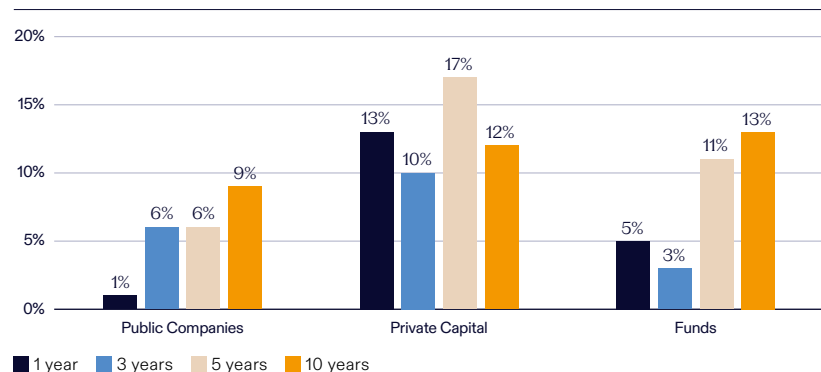
Chief Executive Officer’s review continued

Caledonia’s long-term investment approach, embodied in our philosophy of ‘Time Well Invested’, continued to underpin another year of positive progress.

ANNUALISED RETURNS



ANNUALISED INVESTMENT POOL RETURNS



1. Inflation measure is Consumer Prices Index including owner occupiers’ housing costs (‘CPIH’).

We delivered a solid performance this year with NAVTR of 5.4%, against the backdrop of considerable macroeconomic and geopolitical uncertainty, with all three investment pools contributing positively to growth. This reflects the strength of our business model, the benefit of our diversified portfolio and the resilience of our investment approach. We continue to focus on investing in well-managed companies with strong fundamentals, operating in attractive markets. These characteristics position the portfolio to look through short-term noise and to navigate periods of disruption and uncertainty with confidence.

The year began with volatility following the US administration’s ‘Liberation Day’ announcement in April 2025, which led to a decline across global equity markets and provided us an opportunity to deploy capital into our Public Companies pool. We maintained discipline, taking advantage where we saw opportunity to invest and manage risk.

The rapid progress in AI and technology during the year fuelled both optimism and concern. Sentiment fluctuated over the course of the year, highlighting the pace of change and the uneven path of market expectations. A significant re-rating of our investment in Oracle took place during this period. We successfully risk managed the position, realising £65m, delivering a 96.3% return during the year, which compares favourably with the return that the stock delivered of 2.4% over the year.

In the Private Capital pool, we agreed the sale of Stonehage Fleming, delivering a fantastic result. More broadly, transaction volumes in private markets remained low, although we were encouraged to see some early signs of momentum returning during the year, particularly in our Asia funds.

Towards the end of the year, the Iranian conflict increased uncertainty leading to heightened market volatility in March, and the subsequent increase in inflation created a more challenging environment for investors and reduced our overall return for the year.

We recognise that shareholders will rightly be disappointed by the -7.1% total shareholder return due to the discount widening. There is no single solution to narrowing the discount and as set out in the Chair statement, during the year we have continued to pursue a number of measures to address it.

Performance highlights

We invest across private and public markets. Overall, the portfolio generated a return of 6.1% in the year. This included adverse foreign exchange movements which negatively impacted returns by 0.9%.

Our Public Companies pool is invested in high-quality, well-managed businesses with strong market positions and pricing power. The global portfolio is split between capital and income investments, with the latter providing an important contribution to cover our cost base and dividend.

Performance was affected by the considerable market volatility as a result of the Iranian conflict nearing the end of the financial year. The pool delivered a 1.2% return in the year, down from 9.0% at the end of February.

5.8% p.a.
NAV outperformance of inflation over 10 years

Chief Executive Officer's review continued

Within Private Capital, the portfolio delivered an overall return of 13.1%. The agreed sale of Stonehage Fleming was a key contributor and marks an excellent outcome. It is a clear demonstration of our patient capital approach at work: backing an exceptional management team, supporting the development of an even stronger business over time, creating substantial value during our ownership and ultimately delivering an outstanding return for shareholders. AIR-serv Europe also delivered another year of strong performance, leading to a higher valuation.

The Funds pool performed well in the year, delivering a total return of 4.9% or 7.1% in local currency. Performance was supported by positive contributions from both North America and Asia, reflecting the quality of the underlying portfolios and meaningful realisations. While distributions continued to be subdued as expected, we are encouraged by a pick up in IPO and fundraising activity in Asia. The portfolios remain resilient, with exposure to domestic markets and attractive long-term growth sectors.

Liquidity and balance sheet

A strong financial position is core to Caledonia's strategy. We ended the year with net cash of £90m, which, alongside our £325m revolving credit facility, provides significant liquidity to invest in attractive opportunities as they arise.

Proceeds of c.£290m from the agreed sale of Stonehage Fleming are expected in mid 2026. This will further enhance our liquidity and position us well to pursue opportunities that meet our selective investment criteria.

People

Our people remain at the heart of our business and we are committed to fostering an environment in which exceptional talent can thrive. I would like to thank my colleagues for their unwavering enthusiasm and dedication which continue to drive our success.

I would also like to thank our Chair, David Stewart, and non-executive director, Charles Cayzer who will both step down at the conclusion of the forthcoming annual general meeting. We are very grateful for their leadership, counsel and support throughout their tenure.

Our approach to responsible investment

As we highlight in the Sustainability section, we have continued to build on our approach to responsible investment and consider the issues associated with climate change and its potential impact on our business and portfolio. Our Task Force on Climate-related Financial Disclosures report will be published alongside this annual report.



“ While uncertainty is likely to remain a feature of markets, Caledonia is well placed to continue delivering long-term value for shareholders. ”

Mat Masters
Chief Executive Officer

Looking forward

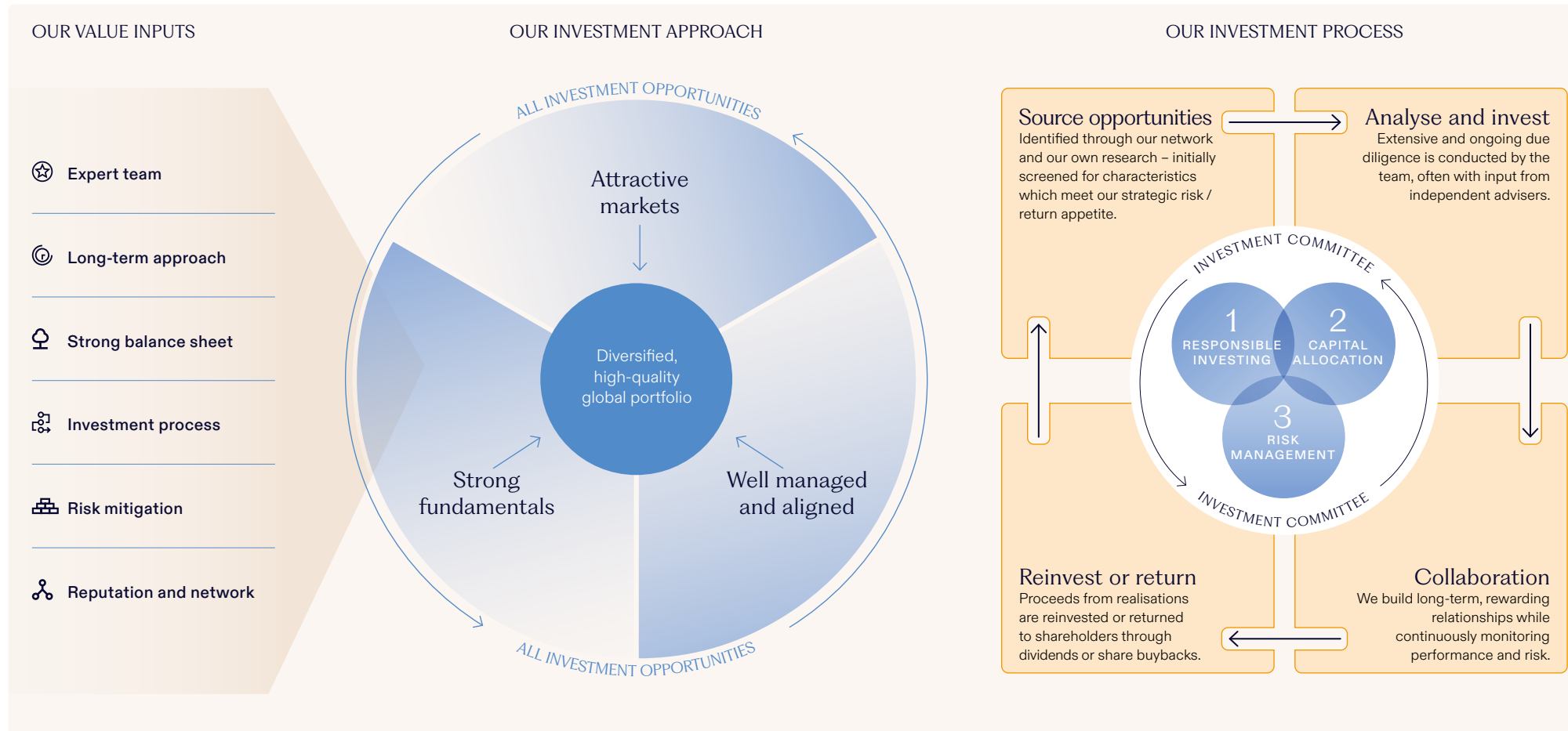
Looking ahead, we recognise that uncertainty in the economic and geopolitical backdrop is likely to remain a feature of markets in the year ahead. Nevertheless, we believe Caledonia is well placed to continue delivering long-term value for shareholders. The strength of our model, centred on investing in high-quality companies with lower levels of financial risk, gives us confidence in the resilience of the portfolio and its ability to perform over the long term. Our balance sheet and liquidity are strong, providing us with the ability to pursue opportunities as they arise. We remain focused on compounding NAV over the long term, while continuing our efforts to improve shareholder returns and ensure that the strength of our investment proposition is more fully reflected in the share price.

Mat Masters
Chief Executive Officer
18 May 2026

Our value creation model

Driving long-term value

We invest in proven, well-managed businesses that combine long-term growth characteristics with an ability to deliver increasing levels of income.



Our value creation model *continued*

By combining our balance sheet and disciplined investment process across our three pools of capital, we target positive returns for all of our stakeholders.

[Stakeholder engagement](#)

[➔ PAGE 18](#)

OUR GLOBALLY DIVERSE PORTFOLIO

OUR TARGETED RETURNS

OUR STAKEHOLDER OUTPUTS

Public Companies



“We invest in high-quality businesses built to compound value for the long term.”

Ben Archer and Alan Murren
Co-Heads of Public Companies

KEY ATTRIBUTES

- Highly liquid
- Two concentrated portfolios – one team
- Long-term ownership mindset
- Invest patiently, act with conviction

TARGET RETURN

Capital portfolio

10% p.a.

Income portfolio

7% p.a.

[PAGE 26 ➔](#)

Private Capital



“Our buy-to-own approach differentiates us from other managers.”

Tom Leader
Head of Private Capital

KEY ATTRIBUTES

- Control or preferred minority positions in up to 10 UK mid-market companies
- Buy-to-own approach
- Active partnership model
- Prudent capital structures

TARGET RETURN

14.0% p.a.

[PAGE 30 ➔](#)

Funds



“The team seeks to partner with proven managers in attractive markets.”

Jamie Cayzer-Colvin
Head of Funds

KEY ATTRIBUTES

- Highly diversified
- Access to hard-to-reach markets
- Partnership with experienced, operationally focused managers

TARGET RETURN

12.5% p.a.

[PAGE 34 ➔](#)



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 portfolio companies and funds

We build rewarding relationships and a deep understanding of our investments.



Our people

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



Our communities

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



Our suppliers

We build and value long-term relationships.

Stakeholder engagement

Our framework for stakeholder dialogue



Section 172 of the Companies Act 2006 (the 'Companies Act') requires each of our board directors, individually and collectively, to act in the way they consider, in good faith, would most likely promote the long-term success of the company for the benefit of its members as a whole. In doing this they are required to have regard, amongst other relevant matters, to the:

- a. Likely consequences of any decisions in the long term
- b. Interests of the company's employees
- c. Need to foster the company's business relationships with suppliers, customers and others
- d. Impact of the company's operations on the community and environment
- e. Desirability of the company maintaining a reputation for high standards of business conduct
- f. Need to act fairly as between members of the company

In discharging their duties, each director will seek to balance the interests, views and expectations of Caledonia's stakeholders, whilst recognising that every decision the board makes will not necessarily result in a positive outcome for all. However, the board's aim is to make sure that decisions are consistent and predictable. In so doing, it seeks to generate long-term compounding real returns that outperform inflation by 3%-6% over the medium to long term, and the FTSE All-Share index over 10 years. The company does not have customers. Rather, its shareholders are the stakeholders who most closely resemble customers.

In this section, we describe each of our key stakeholder groups, their importance and how we engaged with them during the year. Also provided are examples of the ways in which the board considered the interests of these stakeholders and had regard to the matters set out in section 172(1)(a) to (f) of the Companies Act when making its decisions.

Further details on how the board operates can also be found in the Corporate governance report on page 67 and at caledonia.com.

Stakeholder engagement *continued*

How stakeholder insights shape our decisions

How the board spent its time in 2026

➔ PAGE 69

1 SHAREHOLDER INITIATIVES

Addressing the discount

The board regularly considers what additional steps could be taken to address the discount.

Context

Over the year the average share price discount to net asset value ('NAV') was 34.0%, widening significantly in March 2026 and ending the year at 43.4%. Sentiment towards investment companies, and in particular those investing in private assets, continues to weigh on discounts across the sector.

Board considerations

The board believes that the share price continues to undervalue the quality of Caledonia's portfolio and its long-term performance track record. It regularly considers what additional steps could be taken to address the discount.

The board remains committed to a progressive dividend policy which aims to increase annual dividends by at least the rate of inflation over the long term. To improve accessibility to a wider range of investors, a share split was completed in the year. The interim dividend was re-profiled to provide shareholders with

a more predictable and balanced income stream. Both these measures make dividend re-investment easier.

In considering whether to undertake share buybacks, the board takes into account the liquidity of the company's shares, the need to remain appropriately invested in the portfolio and the level of any discount at which the shares trade relative to NAV per share.

Outcome

The board has recommended a final dividend of 4.00p per share for the year ended 31 March 2026 which, if approved by shareholders, represents a full-year dividend of 7.68p per share. This is an increase of 4.4% when compared to the previous year, meaning 59 consecutive years of increased annual dividends. In 2025 we re-profiled the interim dividend to 50% of the prior year's total and implemented a 10:1 share split. During the year, £34.6m was allocated to purchase and cancel 9,465,511 ordinary shares at an average discount of 34.7%, generating 3.49p of NAV per share accretion.

RELEVANT STAKEHOLDERS

 Our shareholders

2 ENHANCED COMMUNICATIONS

Investing in our brand, digital presence and communications

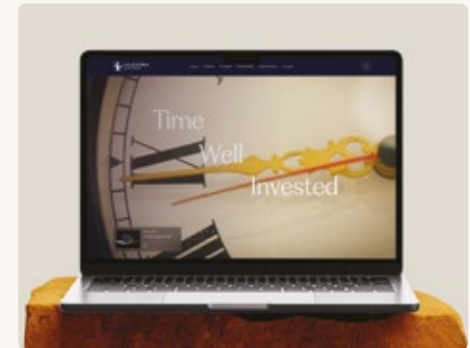
To ensure our investment proposition is well understood and recognised by the market.

Context

Building on improvements made to our investor relations and communications activities in 2025, in November 2025 we launched a refreshed Caledonia brand and digital presence, designed to better reflect who we are today and how we deliver value for tomorrow. The new visual identity, website and communications framework were shaped by feedback from stakeholders, ensuring our brand is clear, accessible and aligned with our long-term strategy.


Board considerations


The board considered the approach being taken to modernise Caledonia's brand and digital channels, recognising that effective communication is essential to long-term value creation. The investment required was balanced with the benefits of increased stakeholder engagement, improved accessibility and a stronger competitive position.


**Outcome**

Our programme of 'spotlight' events for investors and analysts provided insights on the investment philosophy, strategy and portfolio of each of our three investment pools. The refreshed brand and digital presence have already strengthened our engagement with shareholders, portfolio companies and wider stakeholders. The updated website offers greater clarity and accessibility, while the new brand identity has enhanced visibility and consistency across all channels.

RELEVANT STAKEHOLDERS

 Our shareholders

 Our portfolio companies and funds

 Our suppliers

Stakeholder engagement *continued*

How we engage with our key stakeholders



Our shareholders

Why we engage

Shareholders provide Caledonia's permanent capital and it is for their benefit that the directors are required to promote the company's success. We remain committed to a proactive and constructive dialogue with them to ensure:

- There is a good understanding of the company's purpose, performance and approach to environmental, social and governance matters
- The board is aware of issues that are important to them

How we engage

We communicate with investors through numerous channels:

- Our Chief Executive Officer and Chief Financial Officer hold regular meetings with institutional investors, private client stockbrokers and fund managers, particularly following the publication of our half-year and annual results
- A programme of 'spotlight' events for investors and analysts continued during the year, with events held on the Private Capital pool in January 2025, the Public Companies pool in June 2025 and the Funds pool in January 2026
- Our refreshed website was launched in November 2025
- Investor conferences attended by retail investors and fund managers
- Regular market announcements, including monthly NAV announcements, half-year and annual results webcasts, keep shareholders apprised of performance

Relations with shareholders

➔ PAGE 69

How the board engages

- The Chair and other non-executive directors are available to attend shareholder meetings if requested
- Caledonia's annual general meeting is an important part of our communications programme, providing directors with the opportunity to meet shareholders in person and to hear their opinions
- During the year, our Senior Independent Director led a consultation with major shareholders ahead of the appointment of Will Wyatt as David Stewart's successor as company Chair. These shareholders were also provided with the opportunity to meet Will as part of this process
- Views put forward by shareholders and analysts provided to the board, with periodic reports and presentations from the company's brokers and management on shareholder feedback and general market perception of the company

Outcomes

- Shareholder perspectives and ongoing engagement are considered as part of strategy and other discussions. The outcomes for the year of the share buyback programme and progressive dividend policy are set out on page 100
- A 10:1 share split was implemented on 25 July 2025, reducing the nominal value of our ordinary shares from 5p to 0.5p and improving affordability and accessibility for smaller shareholders
- During the year, enhancements to our investor relations and communications activities continued to ensure our investment proposition is well understood and recognised by the market
- Major shareholders expressed broad support for Will Wyatt's appointment as Chair through the consultation process



Our portfolio companies and funds

Why we engage

Our portfolio companies, both public and private, provide the source of returns to our shareholders.

How we engage

Our focus remains on long-term, careful stewardship to create value for our shareholders. We seek to build rewarding relationships with, and a deep understanding of, our investments.

Public Companies

- We use in-house and third-party research to closely monitor the performance of companies in the Income and Capital portfolios
- Meetings with management teams are an important part of our ongoing stewardship activities
- We make considered use of our voting rights at all shareholder meetings

Private Capital

- Our employees serve as non-executive directors on the boards of portfolio companies in which we hold a significant investment, providing oversight and helping to ensure that our board is kept apprised of key developments and the views of a broader group of stakeholders

Funds

- Alongside proactive monitoring of fund performance, we are represented by employees on numerous advisory committees established by the managers of the funds in which we invest
- A regular programme of meetings with fund general partners, other limited partners and investee businesses enables us to gain real insight into the ongoing management of our portfolio

How the board engages

Decision-making is supported by comprehensive regular reporting to the board by the Heads of Public Companies, Private Capital and Funds, supported by members of their respective teams. The board also receives presentations from the leadership of portfolio companies, providing directors additional insight to assist with investment decision-making.

Outcomes

Public Companies

- Over the course of the year, the team attended over 50 meetings with portfolio company management and used their voting rights at all shareholder meetings

Private Capital

- Our active partnership model means we maintain regular, close engagement with our Private Capital companies throughout the year
- In January 2026, the directors attended a conference and dinner with portfolio company management, which included business presentations and provided the opportunity to meet a broader group of senior management

Funds

- Over the course of the year, the team attended in excess of 180 meetings with our portfolio fund managers, including annual meetings, advisory board meetings, in-person meetings in the UK, Asia or North America and virtual meetings held online

Our stewardship activities

➔ PAGE 45

Stakeholder engagement *continued*

Our people

Why we engage

Our team is key to delivering long-term performance.

Recruiting, retaining and developing engaged and experienced employees who share our values and culture is central to delivering Caledonia's purpose.

How we engage

We encourage honest and open communication, both formally and informally, to ensure employees remain closely involved with the success of the business. We carry out a biennial colleague engagement survey to help us better understand the views of our employees and how we can continue to develop and improve. In our most recent survey in 2025, 96% of employees who responded recommended Caledonia as a "great place to work".

How the board engages

- Caledonia has a small number of employees which enables regular formal and informal access to board directors, irrespective of seniority, together with frequent colleague involvement in board and committee meetings. As such, the board believes that these existing arrangements are effective and therefore the methods for workforce engagement suggested by the UK Corporate Governance Code are not necessary
- Formal periodic reports on employee related matters, including any instances of concerns or grievances raised and suggestions for improvement, assist the board in understanding the views of employees

Outcomes

- Our all-employee share incentive plan was launched in summer 2025, offering all employees, irrespective of seniority, the opportunity to build up a tax efficient equity stake in the company
- We implemented pension salary sacrifice in 2025, enabling employees to make personal pension contributions in a more tax efficient way

Our people and culture

 PAGE 52

Our communities

Why we engage

We look to support the communities in which the company and our investee companies operate and charities which resonate with our history, values, culture and team. We support advancing new talent and social mobility within the investment management industry.

How we engage

The Caledonia Investments Charitable Foundation ('Foundation') is the focus for Caledonia's charitable activity, providing support to many good causes each year. The company made a grant of £300,000 to the Foundation during the year.

As part of our ongoing charitable commitment and to further encourage employees to support the Foundation, together with other charities and good causes, we provide up to two additional days of leave each year to employees so they can volunteer their time.

Our intern and alumni programme, supported by an independent facilitator and with involvement from employees across the business, provides participants with an invaluable insight into Caledonia and the investment management industry and helps build skills for their future careers.

How the board engages

The Foundation reports formally on its activities to the board annually. Each year, one of our non-executive directors is invited to participate in an event in which our interns pitch

their investment ideas at the end of their month-long programme.

Outcomes

Numerous charities received varying levels of support over the year. Notable multi-year donations were provided to:

- The Royal Marines Charity to support the charity's mental health and addiction support services for both serving and former marines
- OCD Action to support their new initiative, The Bridge, which has been created to support people while they wait for treatment
- Been There, a charity that supports adults struggling with body image issues by connecting them with vetted, trained mentors through a mobile app
- The Countryside Education Trust to support the charity's long-term sustainability

Other notable donations included those to Joshua Orphan and Community Care, supporting community-driven sustainable projects in Malawi, and Westminster Chapel to enable construction to be undertaken at the Westminster Foodbank.

14 successful candidates who aspire to have a career in investment management participated in our annual internship programme in summer 2025. Our intern alumni programme continues to foster enduring relationships with those who have interned with us.

Our community activities

 PAGE 52

Our suppliers

Why we engage

We value long-term supplier relationships built on transparency, reliability and quality to support our investment activities.

How we engage

We benefit from good relationships, often built over many years, with suppliers and advisers who share our values.

How the board engages

The board is informed on key supplier matters where relevant.





Outcomes



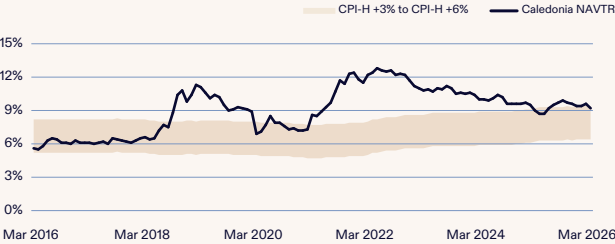


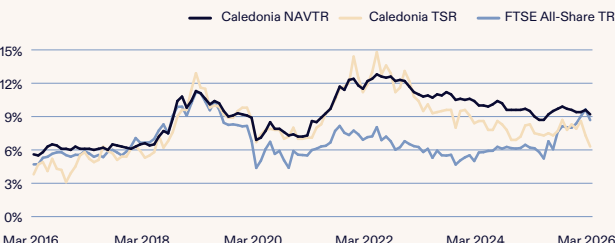
We operate clear payment practices to ensure fair and prompt payment for the goods and services we receive. We agree payment terms when contracting with suppliers and abide by them when we are satisfied that we have received the goods or services in accordance with the agreed terms and conditions. Whilst we are not a signatory of the UK Prompt Payment Code, we paid more than 87% of our supplier invoices within 30 days during the year (2025: 82%), with 96% paid within 60 days (2025: 94%).

Our group strategy & KPIs

We harness the power of time to deliver sustainable real returns and progressive dividends for shareholders.

OUR PERFORMANCE IS MEASURED AGAINST FOUR STRATEGIC OBJECTIVES:

 <p>Outperform inflation Generate total returns that outperform inflation by 3% to 6% over the medium to long term.</p>	 <p>Outperform FTSE All-Share Generate total returns that outperform the FTSE All-Share index over 10 years.</p>	 <p>Pay progressive dividends Annual dividends increasing by inflation or more over the longer term.</p>	 <p>Manage investment risk A diversified portfolio structured for long-term wealth creation.</p>
--	--	--	--

KPI	RATIONALE	PROGRESS IN THE YEAR	LINKS	METRIC
<p>1</p> <p>Net asset value total return ('NAVTR')</p>	<p>NAVTR is a measure of how the net asset value ('NAV') per share has performed over a period, taking into account both capital returns and dividends paid to shareholders</p> <p>Alternative performance measure  PAGE 148</p>	<ul style="list-style-type: none"> The company has further extended its performance track record, reporting NAVTR of 5.4% in the year Over five and 10 years, the company has reported a NAVTR of 9.5% p.a. and 9.2% p.a. respectively, outperforming inflation by 4.4% and 5.8% over the same periods Over 10 years, the company's NAVTR has outperformed the FTSE All-Share TR index by 0.5% p.a. 	<p>KEY RISKS</p> <p>A B C D E F</p> <p>STRATEGIC OBJECTIVES</p> 	<p>NAVTR ANNUALISED 10-YEAR ROLLING PERFORMANCE</p> 
<p>2</p> <p>Total shareholder return ('TSR')</p>	<p>TSR measures the return to our shareholders through the movement in the share price and dividends paid during the measurement period</p> <p>Alternative performance measure  PAGE 148</p>	<ul style="list-style-type: none"> The company's TSR for the year was -7.1% p.a. Over five and 10 years, the company's TSR was 7.2% p.a. and 6.3% p.a. respectively Over five years, the company's TSR has underperformed against the FTSE All-Share index by 3.9% p.a. and outperformed inflation by 2.1% p.a. Over 10 years, the company's TSR has underperformed against the FTSE All-Share index by 2.4% p.a. and outperformed inflation by 2.9% p.a. 	<p>KEY RISKS</p> <p>A B C D E F</p> <p>STRATEGIC OBJECTIVES</p> 	<p>TSR ANNUALISED 10-YEAR ROLLING PERFORMANCE</p> 

Our group strategy & KPIs *continued*

KEY RISKS:

- A** Strategic risk **B** Investment risk **C** Market risk
- D** Liquidity risk **E** Operational risk **F** ESG & climate change

Risk management

➔ PAGE 56

KPI	RATIONALE	PROGRESS IN THE YEAR	LINKS	METRIC																						
<p>3</p> <p>Dividend growth over time¹</p>	<p>A reliable source of income is important for our shareholders. Caledonia has a progressive dividend policy</p> <p>Annual dividend is the per share amount payable to shareholders out of profits for the year, excluding any special dividends</p>	<ul style="list-style-type: none"> The company paid an interim dividend of 3.68p and has proposed a final dividend of 4.00p, taking total dividends to 7.68p per share, a 4.4% increase year on year, extending our record of growing annual dividends for 59 consecutive years Over the last five and 10 years, our dividend has grown by 4.1% p.a. and 3.9% p.a. Over the same period, inflation has increased by 5.1% p.a. and 3.4% p.a. 	<p>KEY RISKS</p> <p>A B C D E F</p> <p>STRATEGIC OBJECTIVES</p> <p>£</p>	<p>ANNUAL DIVIDEND/SHARE OVER 10 YEARS² (P)</p> <table border="1"> <tr><th>Year</th><td>2017</td><td>2018</td><td>2019</td><td>2020</td><td>2021</td><td>2022</td><td>2023</td><td>2024</td><td>2025</td><td>2026</td></tr> <tr><th>Value (P)</th><td>5.5</td><td>5.7</td><td>5.9</td><td>6.1</td><td>6.3</td><td>6.5</td><td>6.7</td><td>7.0</td><td>7.4</td><td>7.7</td></tr> </table>	Year	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	Value (P)	5.5	5.7	5.9	6.1	6.3	6.5	6.7	7.0	7.4	7.7
Year	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026																
Value (P)	5.5	5.7	5.9	6.1	6.3	6.5	6.7	7.0	7.4	7.7																
<p>4</p> <p>NAV per share¹</p>	<p>The measure of the company assets, calculated by dividing net assets by the fully diluted number of shares in issue</p> <p>See note 17 of the financial statements</p>	<ul style="list-style-type: none"> At 31 March 2026, the company had net assets of £2,980m (568p per share), reporting a 3.7% NAV per share growth over the year Over five and 10 years, the company has reported a NAV per share growth of 7.3% p.a. and 7.0% p.a. respectively During the year to 31 March 2026, we allocated £34.6m to purchase and cancel 9,465,511 shares at an average discount of 34.7%, generating 3.49p or 0.6% of NAV per share accretion 	<p>KEY RISKS</p> <p>A B C D E F</p> <p>STRATEGIC OBJECTIVES</p> <p>📊 📈 🔄</p>	<p>NAV/SHARE OVER 10 YEARS (P)</p> <table border="1"> <tr><th>Year</th><td>2017</td><td>2018</td><td>2019</td><td>2020</td><td>2021</td><td>2022</td><td>2023</td><td>2024</td><td>2025</td><td>2026</td></tr> <tr><th>Value (P)</th><td>340</td><td>329</td><td>358</td><td>324</td><td>400</td><td>504</td><td>507</td><td>537</td><td>548</td><td>568</td></tr> </table>	Year	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	Value (P)	340	329	358	324	400	504	507	537	548	568
Year	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026																
Value (P)	340	329	358	324	400	504	507	537	548	568																

1. On 25 July 2025, the company executed a 10:1 sub-division of its ordinary shares which reduced the nominal value from 5p to 0.5p. As a result of the increased number of ordinary shares now in issue, all net asset per share and dividend per share figures have been restated for the prior year comparatives.

2. Excluding special dividends of 10.0p per share in 2017 and 17.5p per share in 2022.

Investment review

Built over time

Caledonia is a long-term investor in both listed and private markets via three pools: Public Companies, Private Capital and Funds, each managed by a specialist team.

To ensure that we maintain a balanced portfolio, each of our investment pools has a strategic allocation range. At 31 March 2026, all of our investment pools were within their strategic allocation ranges.

Geographic, sector and currency exposure

➔ [PAGE 7](#)

Overall performance

At 31 March 2026, the investment portfolio was valued at £2,847.8m, generating a return of 6.1% during the year, with all investment pools contributing to growth. This was achieved against a continuing backdrop of uncertainty, economic headwinds and geopolitical volatility. We believe this performance reflects the resilience of our portfolio, which is built around high-quality, well-managed businesses, operating in attractive markets and supported by strong market fundamentals.

Investment activity

During the year, we invested a total of £265.2m into the portfolio, against which £257.1m of proceeds were received, resulting in a net outflow of £8.1m.

£2.8bn

Portfolio value

£8.1m

Net cash invested

6.1%

Portfolio return

Investment movements in the year

	31 March 2025 £m	Investments £m	Realisations £m	Accrued income £m	Gains/ (losses) £m	31 March 2026 £m	Income £m	Return ³ %
Public Companies	964.7	141.4	(142.3)	–	(11.6)	952.2	23.2	1.2
Private Capital	870.7	7.0	(0.5)	2.6	74.9	954.7	36.1	13.1
Funds	897.3	116.8	(114.3)	–	41.1	940.9	3.6	4.9
Total pools	2,732.7	265.2	(257.1)	2.6	104.4	2,847.8	62.9	6.1
Other investments ¹	10.9	–	–	–	(12.3)	(1.4)	8.9	
Total investments²	2,743.6	265.2	(257.1)	2.6	92.1	2,846.4	71.8	
Net cash	151.3					90.0		
Other net assets	36.7					43.6		
Net assets	2,931.6					2,980.0		

1. Other investments include -£1.4m of non-pool provisions (31 March 2025: £10.9m non-pool investment).

2. Total investments as at 31 March 2026 includes £279.3m (31 March 2025: nil) relating to one investment that was classified as assets held for sale in the group's statement of financial position.

3. Returns for investments are calculated using the Modified Dietz methodology.

Investment review continued

Our top 10 investments

Our top 10 holdings represent a significant share of our portfolio.

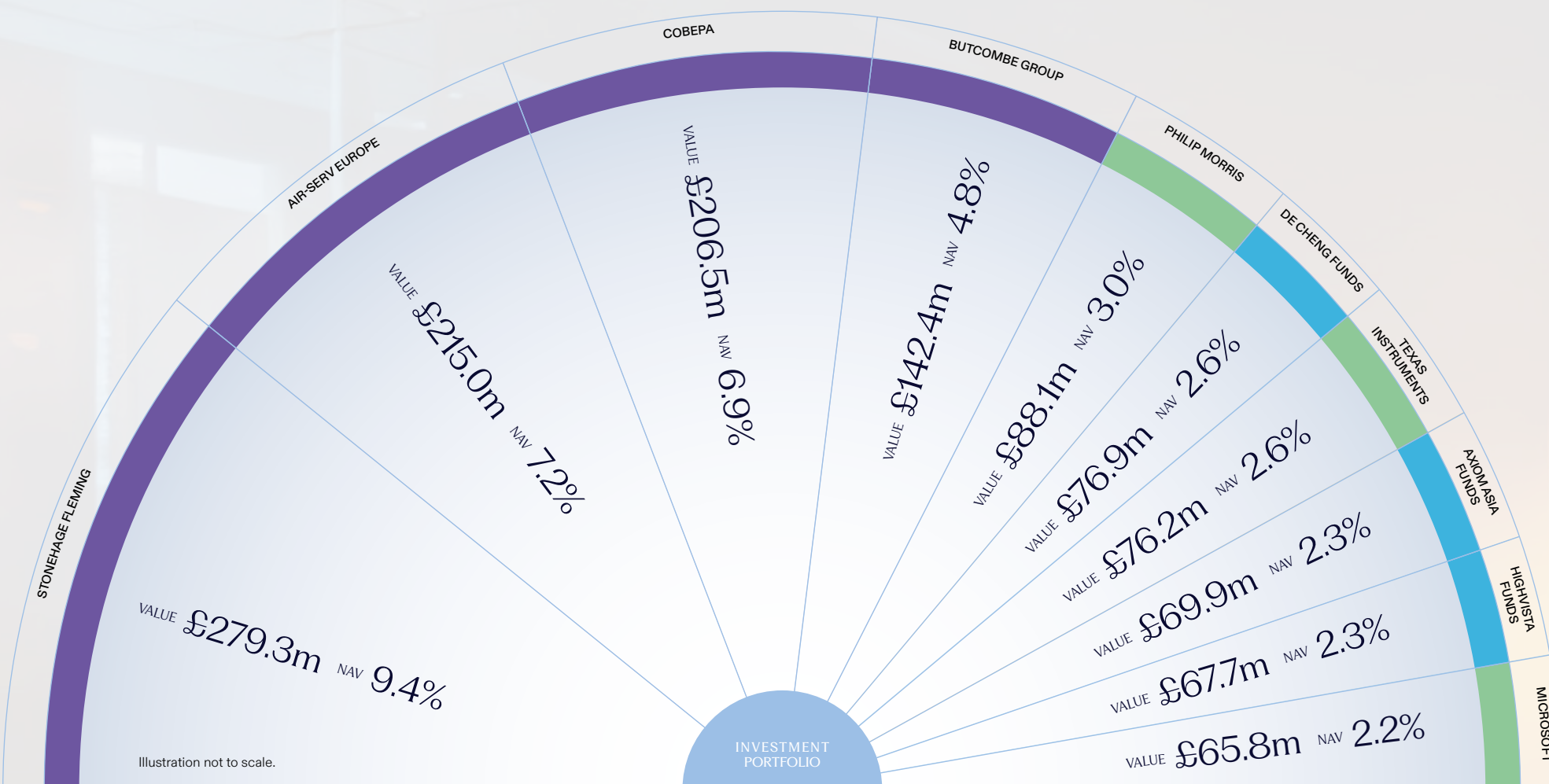
£1,287.8m

Top 10 investments total value

43.3%

Net assets represented

Public Companies Private Capital Funds



Investment review continued

Public Companies

Investing in high-quality companies where long-term ownership is rewarded.

Strategy

The Public Companies pool provides Caledonia with exposure to a concentrated portfolio of high-quality businesses selected through the disciplined application of our quality framework. We focus on companies with durable competitive advantages, pricing power and management teams who think and act like long-term owners and are closely aligned with shareholders. We believe these characteristics support sustained compounding of value across market cycles.

The permanent nature of Caledonia's balance sheet is a defining advantage. Free from the need to manage subscriptions or redemptions, the team can act with patience and conviction – deploying capital when opportunities arise and holding investments through periods of dislocation.

The global portfolio comprises two complementary strategies: Capital and Income, each holding between 15 and 20 companies. The Income portfolio seeks an initial yield on invested cost of 3.5%, with total dividends growing ahead of inflation over time. The Capital portfolio is higher growth with no yield target, focusing on long-term value creation. Both portfolios are managed by a single team, fully focused on investing, applying the same research discipline, unconstrained by benchmarks and guided by a consistent long-term philosophy. This is reflected in the average holding periods of the companies in our portfolios: 8.4 years for the Capital portfolio and 6.3 years for the Income portfolio.

Performance

During the year, the Public Companies pool delivered a modest total return of 1.2% (2.6% in local currencies) against the backdrop of considerable market volatility. Short-term market weakness following the US tariff measures announced in April 2025 on 'Liberation Day' added to that uncertainty and created opportunities for us to deploy capital decisively, reflecting the strength of our business model designed to take advantage in periods of dislocation. As the year progressed, evolving views on AI-related opportunities increasingly influenced share prices, while the conflict in Iran contributed to a weaker market environment. This had a particularly pronounced impact in March 2026, with a decline in returns of 7.8% in the month. In this context, fundamentals remain important and the underlying operating performance across our portfolio companies generally remained strong. Over the last 10 years the Public Companies pool has delivered returns of 9.1% p.a..

WHAT SETS PUBLIC COMPANIES APART

Highly selective, chosen for quality

Our approach

Our differentiated investment strategy utilises the benefit of Caledonia's permanent capital.

A long-term investment horizon

- Capital invested from our balance sheet
- Not measured against a benchmark

Singular focus on investing

- No fundraising requirements
- Not subject to managing external inflows or redemptions

High-conviction portfolios

- Two concentrated portfolios of 15–20 companies
- Fundamentally driven, bottom-up investment approach

Commitment to quality

- Focus on businesses with durable competitive advantages
- Emphasis on metrics including pricing power and disciplined capital allocation

Deep company engagement

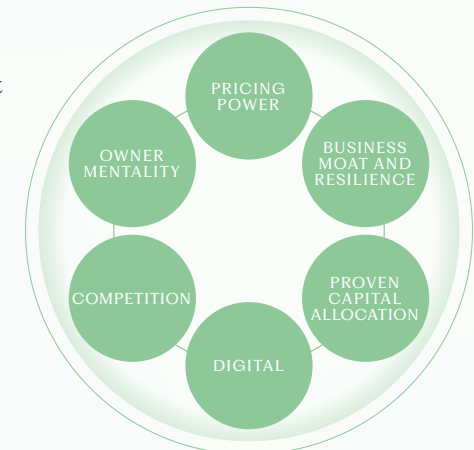
- Long-term ownership across multiple market cycles
- Access to senior management teams

Ability to act decisively

- Flexibility to deploy capital during periods of market dislocation

Our quality matrix

This underpins our disciplined investment process. It ensures consistency in how we assess opportunities and monitor portfolio companies over time.



Investment review continued

Our patterns of quality in action

Over time, the disciplined application of our quality framework has revealed consistent patterns across the portfolio. Businesses that rank highly against our criteria exhibit common underlying characteristics:

- 1 De-centralised businesses
- 2 Recurring revenues / installed base
- 3 Great culture / owner mentality

These patterns of quality are often evident in companies with durable competitive advantages, strong market positions and business models that generate predictable and resilient cash flows.

We place particular emphasis on high returns on invested capital, supported by disciplined cost control and the ability to reinvest for growth without excessive leverage. Management quality is central to this assessment, with a focus on teams that demonstrate thoughtful capital allocation, long-term strategic vision and alignment with shareholders.

We value businesses with pricing power, structural growth tailwinds and the flexibility to adapt as markets evolve. Combined with strong governance and prudent balance sheets, these traits help businesses withstand economic cycles, reduce downside risk and steadily compound value over time.



Find out more about Public Companies
 → SCAN QR CODE

Fastenal

Business: Industrial supplies
First invested: 2020
Value 31 March 2026: £48.8m

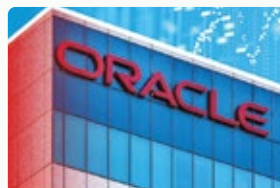


1 De-centralised businesses

- Empowers employees
- Enhances accountability, reduces bureaucracy
- Correct incentivisation key

Oracle

Business: Software
First invested: 2014
Value 31 March 2026: £41.6m



2 Recurring revenues / installed base

- Vital product / service
- High customer retention
- Resilience through cycles

Watsco

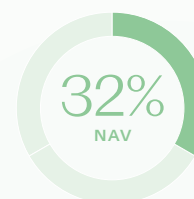
Business: Ventilation products
First invested: 2017
Value 31 March 2026: £64.3m



3 Great culture / owner mentality

- Culture can reinforce investment moat
- Owners think long term
- Aligned with shareholders

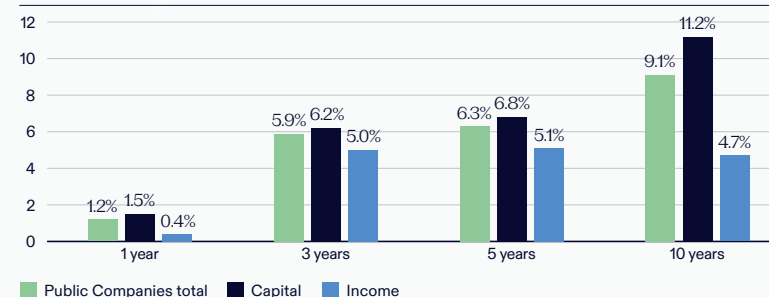
PERFORMANCE AT A GLANCE AS AT 31 MARCH 2026



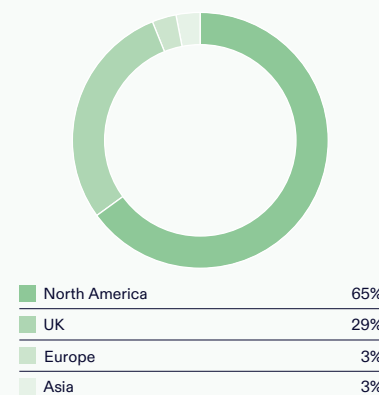
30-40% Strategic asset allocation of NAV
 £952.2m of NAV

31 Companies

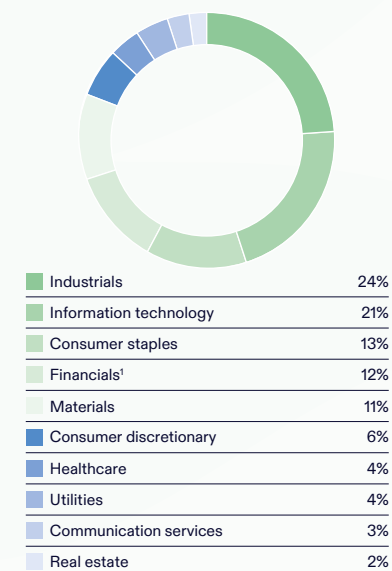
ANNUALISED RETURNS (%)



GEOGRAPHY BY REGION (%) HEADQUARTERED



SECTOR (%)



1. Includes Charles Schwab, Moody's Corporation, Polar Capital and Sabre Insurance.

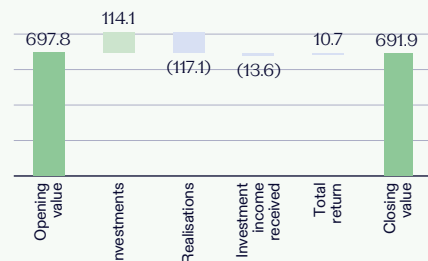
Investment review *continued*

Capital portfolio



“ We invest in high-quality businesses with significant moats and pricing power — built to compound value for the long term. ”

Alan Murran
Co-Head of Public Companies

PORTFOLIO MOVEMENTS (£M)
CAPITAL

Significant pool investments

Name	Business	Geography	First invested	Value £m	Pool %	Return %
Philip Morris	Tobacco & smoke-free products	US	2016	66.1	9.5	5.5
Microsoft	Software	US	2014	65.8	9.5	0.3
Texas Instruments	Semiconductors	US	2018	55.7	8.1	8.8
Watsco	Ventilation products	US	2017	48.2	7.0	(27.4)
Hill & Smith	Infrastructure	UK	2011	46.4	6.7	25.0
Charles Schwab	Investment management	US	2025	43.5	6.3	27.3
Moody's Corporation	Financial services	US	2022	43.0	6.2	(5.7)
Thermo Fisher Scientific	Pharma & life sciences services	US	2015	41.7	6.0	(0.8)
Oracle	Software	US	2014	41.6	6.0	96.3
Spirax Sarco	Steam engineering	UK	2011	34.3	5.0	11.1
Other				205.6	29.7	
				691.9	100.0	1.5

Performance

At the year end, the Capital portfolio was valued at £691.9m and delivered a return of 1.5% in the year, impacted by the performance in March of -6.8% on the back of the wider market sell off. The portfolio remains concentrated, comprising 18 holdings. Including the impact of foreign exchange, over the last 10 years the portfolio has delivered annualised returns of 11.2% p.a..

The strongest performers in terms of share price returns were Oracle (96.3%), Polar Capital (57.5%) and Charles Schwab (27.3%). Oracle's share price rose sharply in September following a series of AI-related announcements, which led to a significant re-rating of the shares. Our return of 96.3% reflects the partial realisation of gains given this strong performance, ahead of a subsequent notable reduction in Oracle's share price. Polar Capital and Charles Schwab's performance followed an increase in assets under management and improving profit expectations.

Gains across the Capital portfolio were partially offset by negative contributions primarily from Charter Communications (-41.7%), Pool Corp (-38.1%) and Watsco (-27.4%) due to a period of softer demand in their end markets and the investor sentiment that followed. However, we remain confident in the longer-term prospects of all and in fact took advantage of this market weakness to top up our positions in each of these holdings during the year.

Investment activity

Over the year we invested a total of £114.1m and realised £117.1m, resulting in a net realisation of £3.0m.

We initiated two new positions in the year: Charles Schwab, a leading US financial services firm with over \$11 trillion assets under management, and Cintas, a specialist corporate uniforms, workplace supplies and safety services supplier. We had been monitoring both holdings for a number of years.

We initiated Charles Schwab and topped up a number of other positions during the April 2025 period of market weakness.

We realised £65.4m from our holding in Oracle during the year following the share price rally. Since initiating the investment in 2014, we invested a total of £35.2m and realised £112.4m, including dividends. At 31 March 2026, the remaining holding was valued at £41.6m and the annualised return since investment was 19.4%.

The portfolio exited positions in Ecolab and Becton Dickinson. Additional trading activity remained targeted, taking advantage of share price movements in a number of existing investments.

Investment review *continued*

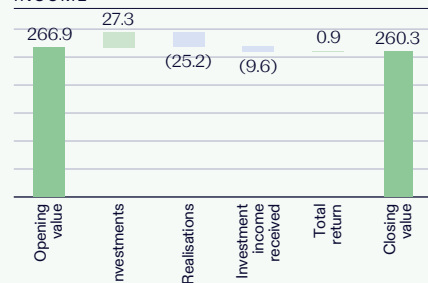
Income portfolio



“ Our strategy seeks to deliver resilient, growing income from high-quality companies with strong cash flows, even in uncertain markets. ”

Ben Archer
Co-Head of Public Companies

PORTFOLIO MOVEMENTS (£M)
INCOME



Significant pool investments

Name	Business	Geography	First invested	Value £m	Pool %	Return %
Philip Morris	Tobacco & smoke-free products	US	2021	22.0	8.5	6.3
National Grid	Electricity	UK	2015	21.0	8.1	30.6
Texas Instruments	Semiconductors	US	2020	20.5	7.9	10.0
Fortis	Utilities	US	2020	17.3	6.6	24.5
Fastenal	Industrial supplies	US	2020	16.2	6.2	21.4
Watsco	Ventilation products	US	2020	16.1	6.2	(26.1)
Unilever	Consumer goods	UK	2019	15.3	5.9	(11.6)
British American Tobacco	Tobacco & smoke-free products	UK	2015	15.2	5.7	49.1
RELX	Research & consulting	UK	2023	14.8	5.7	(34.7)
SGS	Testing & certification	Europe	2020	14.8	5.7	8.6
Other				87.1	33.5	
				260.3	100.0	0.4

Performance

The Income portfolio was valued at £260.3m and delivered a return of 0.4% in the year, impacted by the performance in March of -9.1% on the back of the wider market sell off. Like the Capital portfolio, it is concentrated, comprising 18 holdings, and is not managed against a benchmark. Including the impact of foreign exchange, over the last 10 years the portfolio has delivered annualised returns of 4.7% p.a..

The strongest performers were British American Tobacco ('BAT') (49.1%), Sabre Insurance (34.9%) and National Grid (30.6%). BAT benefitted from broad operating progress supported by the accelerating growth of its smoke-free offerings while also paying an attractive dividend. Both Sabre and National Grid continued to execute well against their stated strategies.

Gains were partially offset by weaker share price performances from RELX (-34.7%) and Sage Group (-30.2%). Both companies suffered from AI-related market concerns weighing on valuations despite resilient trading and earnings growth. However, we remain positive on their longer-term prospects and we used this share price weakness to top up our positions in both.

Investment activity

Over the year we invested a total of £27.3m and realised £25.2m, resulting in a net investment of £2.1m.

The portfolio initiated a new position in Paychex, a leading provider of payroll, HR and employee-benefits services to businesses. Other than this, trading activity remained targeted with refined positions in a number of existing investments.

Investment review continued

Private Capital

Supporting private companies to create enduring value.



“ We seek to partner with established businesses, with robust operating margins and strong leadership that balance a determination to grow with a measured sense of risk. ”

Tom Leader
Head of Private Capital

Strategy

The Private Capital pool comprises a concentrated portfolio of direct investments in private companies, primarily within the UK mid-market. We adopt a disciplined buy-to-own approach, investing selectively in cash-generative businesses with strong growth prospects, resilient market positions and favourable underlying dynamics. Typically committing £50m to £150m per investment, we structure transactions with conservative levels of leverage and a prudent approach to risk.

As a balance sheet investor, we operate outside the traditional private equity fund model and are not constrained by fixed investment or exit timelines. This freedom of action allows us to deploy capital with conviction, at low volume, and to focus on long-term value creation rather than transaction activity. We partner closely with management teams, providing not only capital but also a broad ecosystem of support – including strategic guidance, M&A execution, governance frameworks, data and digital capability and operational support.

Our flexible ownership horizon enables us to hold investments for extended periods, exiting only when strategic alignment and market conditions are optimal to maximise shareholder value. Excluding the agreed sale of Stonehage Fleming, the strategy has returned £1.1bn of realised proceeds at an IRR of 17% and a multiple of 1.8x cost from investments made since 2012.

WHAT SETS PRIVATE CAPITAL APART

Our unique competitive advantage



Our approach

Our 'buy-to-own' philosophy

🎯 High-conviction investors

- Highly selective investing – no pressure to deploy or realise capital within fixed timeframes
- Low deal volume enables decisive action
- Focused on long-term value creation

£ Flexible capital with a permanent balance sheet

- Underpins our buy-to-own approach
- Capacity to provide follow-on capital throughout the investment lifecycle
- Flexible ownership horizon – exiting only when strategically and commercially aligned, not by necessity

🤝 Lower-risk, strong partnership model

- Simple, well-aligned capital structures
- Conservative levels of financial leverage
- Close, collaborative working relationships with management

📈 A whole ecosystem of support

- Active support on M&A, including sourcing and executing add-on acquisitions
- Clear governance structures
- Expertise in data and digital strategy to strengthen competitive advantage
- Operational support to drive performance improvement



Find out more about Private Capital

➔ SCAN QR CODE

Investment review continued



“ We focus on a discerning subset of opportunities – those where our approach is understood and valued. We prioritise situations that combine high-quality businesses with compelling investment characteristics. ”

Sophie Bell
Head of Origination

Quality businesses

What we look for:

- Favourable market dynamics
- Well positioned in its market with a sustainable competitive advantage
- Attractive financial metrics
- Strong management team
- Multiple levers for growth
- Exit flexibility

Quality investment opportunities

How we select opportunities:

- £50m-£150m of initial equity
- Management investing alongside us, with an aligned risk appetite
- Control management buy-out or preferred minority positions

Origination

Our origination efforts are focused primarily on the UK intermediary market

We maintain broad coverage of corporate finance advisers, supported by strong relationships with brokers, lawyers, accountants, and both current and former management teams, alongside targeted direct origination in sectors of interest. Each year, we review around 350 opportunities – more than 2,200 since 2020 – and selectively concentrate on those that meet our quality threshold. Our conversion rate of bids submitted to investments made since FY14 is 41%, which reflects our high-conviction approach, our ability to win and our investment discipline to walk away when appropriate.

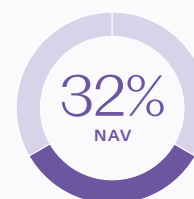
c.350

Opportunities reviewed p.a.

41%

Conversion rate since FY14

PERFORMANCE AT A GLANCE AS AT 31 MARCH 2026



25-35%

Strategic asset allocation

£954.7m

of NAV

14.0% p.a.

Target return

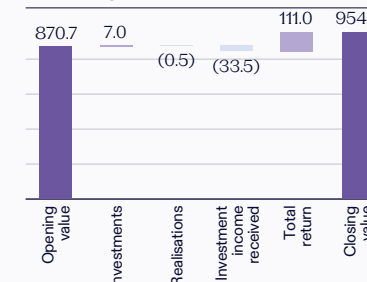
8

Companies

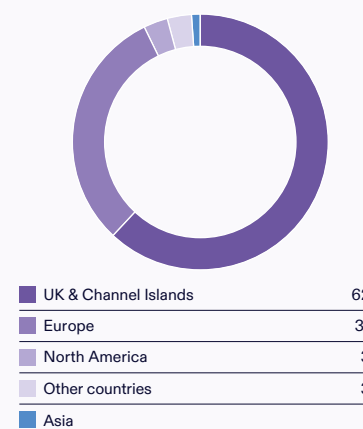
ANNUALISED POOL RETURNS (%) PRIVATE CAPITAL



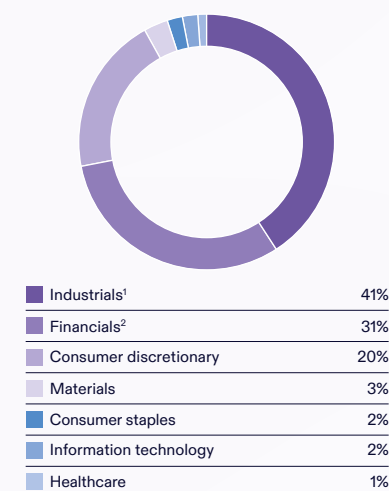
PORTFOLIO MOVEMENTS (£M) PRIVATE CAPITAL



GEOGRAPHY BY REVENUE GENERATION (%)



SECTOR (%)



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

2. Includes Stonehage Fleming.

Investment review continued

OUR INVESTMENTS IN FOCUS

Realisation activity

Successful track record of exits and generating a meaningful valuation uplift over carrying values.

Caledonia has a strong track record of delivering successful realisations, demonstrating disciplined execution and effective capital recycling. We partner with management to build high-quality businesses that become strategically attractive to prospective acquirers. From investments made since 2012, we generated £1.4bn

of proceeds from realisations, returning approximately £0.7bn of net cash. As the chart below illustrates, realised exits have typically achieved meaningful uplifts to prior year carrying values, evidencing both valuation discipline and our ability to deliver value at exit.

£1.4bn

Proceeds generated from realisations¹

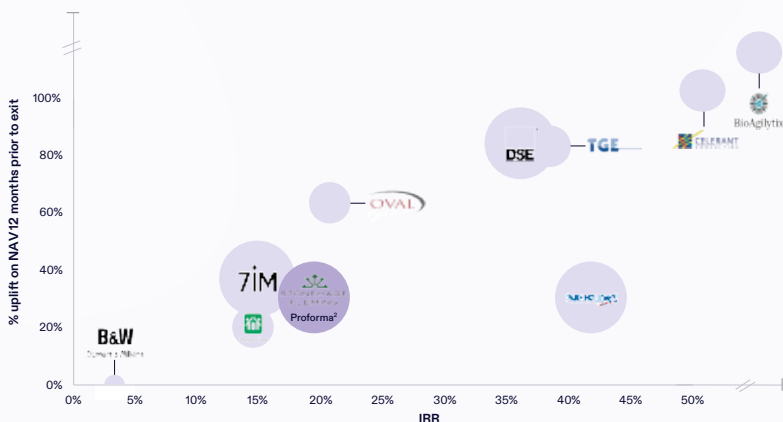
17%

IRR on realised investments¹

2.0x

Multiple on cost¹

LTM NAV GROWTH VS. CALEDONIA IRR²
(SIZE OF BUBBLE REPRESENTS CALEDONIA TOTAL PROCEEDS)



1. From investments made since 2012 and includes the agreed sale of Stonehage Fleming. Buzz Bingo not included in the chart but included in the overall realised IRR of 17%. Performance of Buzz Bingo was materially impacted by the Covid-19 pandemic and was sold for a nominal amount in 2021.
2. Stonehage Fleming expected proceeds of c.£290m. IRR calculated based on cash received on 30 June 2026. % uplift calculated versus NAV at 31 March 2025.

Stonehage Fleming

Significant minority position in Europe's leading independent multi-family office, serving the ultra-high net worth market.



Our long-term partnership-driven approach has delivered exceptional value for all stakeholders.

“From the outset, we weren't looking for a conventional private equity investor. We wanted a long-term partner whose approach aligned with our multigenerational mindset and who would be trusted by our clients. Caledonia brought exactly that — patient capital and a constructive partnership approach.”

Giuseppe Ciucci
Chairman, Stonehage Fleming

1 Quality business

- Attractive model with high margins, strong free cash flow and low capital intensity
- Premium brand; high customer retention; clear runway for international expansion

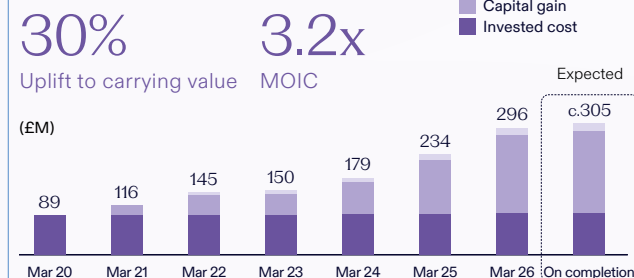
2 Working in partnership

- Streamlined governance structure
- Invested in technology to improve margins and internalise services that were outsourced
- Enhanced business development delivering strong organic growth
- Completed four strategic acquisitions expanding the product offering and geographic reach

3 Selling well

- The business has been a consistent performer, a true compounder – delivering strong returns throughout ownership and on exit

PROFORMA EXIT METRICS²



Progression through ownership

+\$125bn AuA/M to \$175bn **+440** Employees to c.990 **+2,000** Clients to c.3,000 **4** Strategic acquisitions **+7** New geographies

Investment review **continued**

Active support, owning with confidence

Performance

At 31 March 2026, the Private Capital portfolio consisted of eight companies, with the top five investments representing c.95% of pool NAV.

The portfolio was valued at £954.7m and generated a return of 13.1%, driven primarily by the agreed sale of Stonehage Fleming and good operational performance from AIR-serv. Including the impact of foreign exchange, over the last 10 years the Private Capital pool has delivered an annualised return of 12.2% p.a..

The majority of the portfolio is valued on an earnings multiple basis, with these multiples in the range of 10 to 14.5 times last 12 months' earnings before interest, tax, depreciation and amortisation ('LTM EBITDA'). Gearing levels are low, with net debt typically in the range of 2 to 2.5 times LTM EBITDA.

Portfolio summary

On 2 September 2025, we announced the agreed sale of Stonehage Fleming, a leading multi-family office providing advisory services to the ultra-high net worth market. Expected cash proceeds are c.£290m and completion is expected in mid 2026.

The expected cash proceeds represent a 3.2x multiple on cost and a £67m or 30% uplift to the carrying value at 31 March 2025.

We first invested in Stonehage Fleming in 2019 and during our period of ownership the team has delivered upon our investment thesis, which was centred on building scale, international reach and providing additional services to the fast-growing ultra-high net worth market.

The valuation at 31 March 2026 of £279.3m reflects expected cash proceeds less a c.3.5% discount in recognition of the limited transaction execution risk and time value of money.

AIR-serv Europe is a leading designer and manufacturer of air, vacuum and jet wash machines, which it provides to fuel station forecourt operators across the UK and Western Europe. The business has c.60% market share, with c.23,500 machines installed at over 15,000 customer locations. It delivered solid year-on-year growth, supported by operational efficiencies and expansion of its estate, with c.500 machines installed in the year. Operations also expanded to include Portugal and Austria. Caledonia received a dividend of £24.5m during the year, bringing total dividends received since acquisition to £30.7m. The valuation at 31 March 2026 was £215.0m, a return of 23.8% for the year.

Cobepa, the Belgian-based investment company, owns a diverse portfolio of 22 private global investments. During the year, Cobepa made three new investments, multiple follow-on investments and one partial realisation. The valuation at 31 March 2026 was £206.5m, a return of 8.8% (4.2% in local currency) for the year, with strong performances from some of Cobepa's largest investments driving returns.

Butcombe Group (formerly Liberation Group), is an inns and drinks business with an estate of 71 managed and 49 tenanted pubs, stretching from Southwest London to Bristol and the Channel Islands. The business delivered a good performance overall, led in particular by the managed pubs division, which again delivered strong trading across the estate. This was achieved against a challenging macroeconomic backdrop and the increases to National Insurance and the National Minimum Wage in the UK. The continuing programme of improvements to the Cirrus estate is also generating positive results. The valuation at 31 March 2026 was £142.4m, a return of 4.4% for the year.

DTM, the UK's leading independent provider of outsourced tyre management services to fleet operators, was acquired in August 2024. Headquartered in Blackpool, DTM has over 100 employees and serves c.250 fleet customers with c.285,000 vehicles and c.1.3 million tyres under management. Enabled by a proprietary technology platform, which allows customers to maximise their fleet efficiency, compliance and output, DTM connects the vehicles it manages to a national network of over 3,500 service provider locations. Since acquisition, DTM has strengthened its management team, which is now delivering tangible benefits including an improvement in new business momentum. The valuation at 31 March 2026 was £57.7m, a return of 4.7% for the year.

Significant pool investments

Name	Business	Geography	First invested	Value £m	Pool %	Return %
Stonehage Fleming	Family office services	Channel Islands	2019	279.3	29.3	27.6
AIR-serv Europe	Forecourt vending	UK	2023	215.0	22.5	23.8
Cobepa	Investment company	Europe	2004	206.5	21.6	8.8
Butcombe Group	Pubs, bars & inns	Channel Islands	2016	142.4	14.9	4.4
Direct Tyre Management	Tyre management services	UK	2024	57.7	6.0	4.7
Other				53.8	5.7	
				954.7	100.0	13.1

Investment review continued

Funds

Partnering with fund managers to access attractive markets globally.



“ The team seeks to partner with proven managers in attractive markets. These long and profitable relationships typically span multiple fund vintages. ”

Jamie Cayzer-Colvin
Head of Funds

Strategy

The Funds pool partners with experienced, operationally focused managers in North America and Asia. The pool provides exposure to two markets that would otherwise be challenging to access directly, while enhancing diversification. The pool comprises 82 funds managed by 46 managers, with an underlying portfolio of over 600 companies in our directly held funds.

North America-based funds represent 62% of the Funds pool and focus on the lower mid-market, investing in established, small to medium-sized, often owner-managed businesses. As often the only European investor in these funds, we gain access to domestically focused companies operating across a broad range of sectors that underpin everyday American life. These managers often provide the first institutional capital to portfolio companies, supporting professionalisation and expansion through organic growth initiatives and targeted M&A. Investments are generally made at lower entry multiples and with more conservative leverage than larger buyouts, meaning returns are driven principally by operational execution and value creation rather than financial structuring.

Our Asia funds account for 38% of the pool and seek to benefit from the region’s growing middle class and its increasing role in global innovation. We invest across sectors positioned to benefit from these structural trends, particularly healthcare and technology. These funds typically back businesses in the early stages of significant growth. While focused on domestic markets and local growth drivers, a small number – particularly healthcare-focused strategies – also invest selectively into the US.



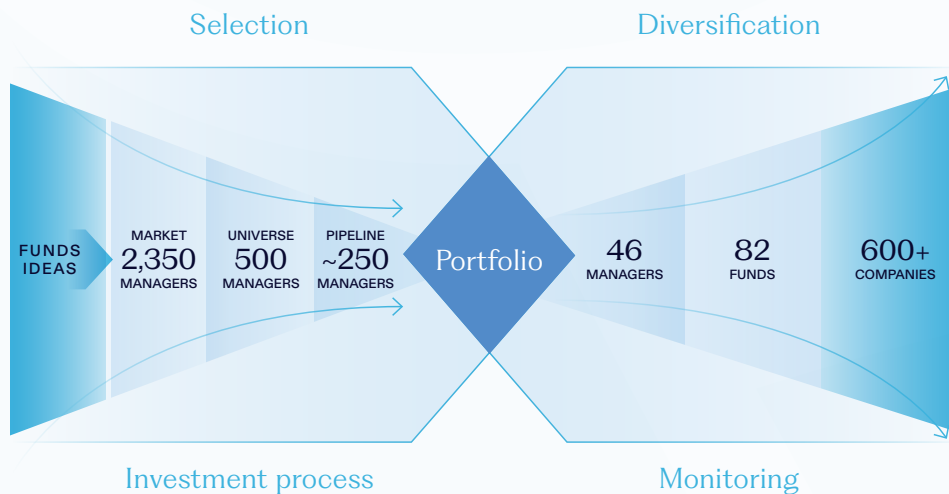
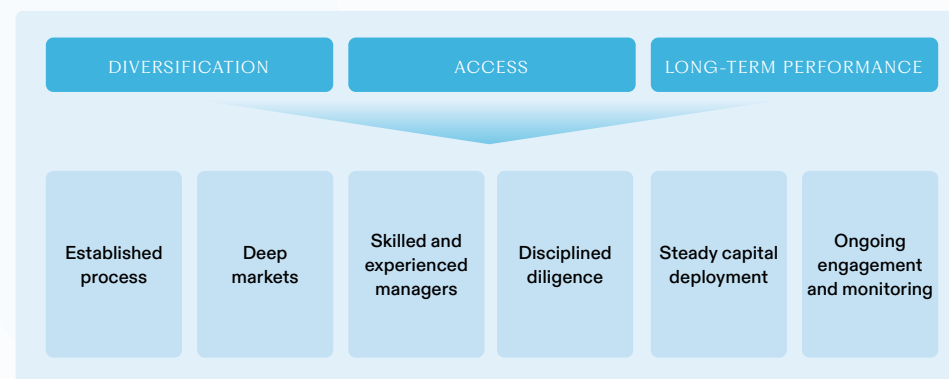
Find out more about Funds
SCAN QR CODE

WHAT SETS FUNDS APART

Disciplined, selective and diversified

How we invest in funds

With a strong focus on partnership, the process we have developed gives investors diversification into markets they could not access alone, underpinned by a rigorous risk management system that delivers strong long-term performance.



Investment review continued

North America: Why the lower mid-market

A vast and fragmented market, underpinned by a large number of established, profitable, founder-owned businesses.

The US lower mid-market comprises a significant number of small, privately owned businesses. Many are founder-led, considering succession, partial liquidity or a partner to support the next stage of growth. These companies are established, profitable and well-run, but have significant scope for value creation.

Managers typically provide the first institutional capital, partnering with management teams to strengthen leadership, enhance systems and processes, and drive organic and inorganic growth.

The segment is less intermediated and attracts less capital than larger buyouts, resulting in more attractive entry valuations and reduced competition.

The combination of disciplined entry pricing and significant value creation positions these businesses to appeal to a broader set of buyers – including larger private equity firms and strategic acquirers – creating the potential for outsized returns.



£583.7m

North America: portfolio value
31 March 2026

Asia: One of the fastest-growing regions in the world

Investing across a wide range of sectors, which are set to benefit from secular trends, such as healthcare and technology.

LARGE AND GROWING MIDDLE CLASS

1 billion

middle class consumers to be added in Asia in this decade

GLOBAL LEADER IN INNOVATION

Deep scientific and technical capability

- Biotechnology
- Electric vehicles
- Robotics

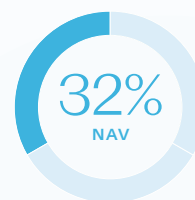
DIVERSIFIED PORTFOLIO

Long-term structural growth exposure to one of the largest and fastest-growing regions in the world today

£354.0m

Asia: portfolio value
31 March 2026

PERFORMANCE AT A GLANCE AS AT 31 MARCH 2026



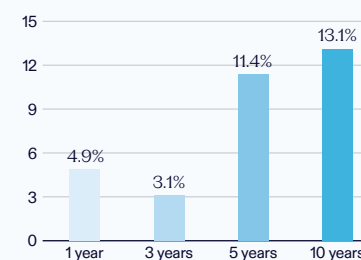
25-35%
Strategic asset allocation

£940.9m
of NAV

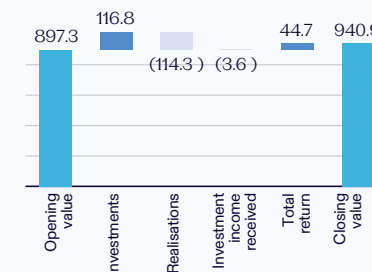
12.5% p.a.
Target return

82
Funds

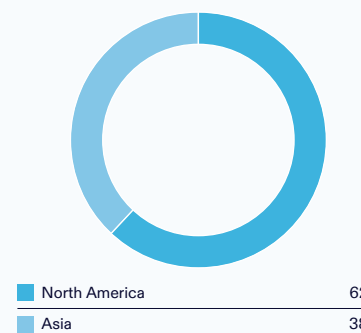
ANNUALISED POOL RETURNS (%) FUNDS



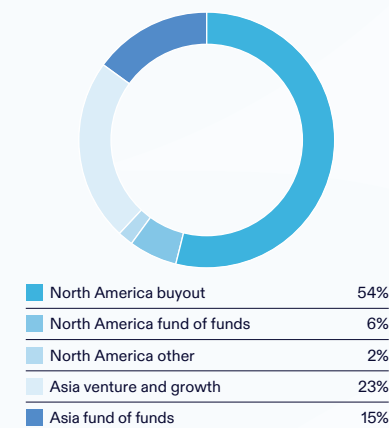
PORTFOLIO MOVEMENTS (£M) FUNDS



GEOGRAPHY BY REGION (%)



BY STRATEGY (%)



Investment review continued

Scaling a regional leader into a premier residential lawn care platform



Our long-standing partnership with CenterOak Partners, a Dallas, Texas-based private equity firm, spans more than 11 years.

We are invested across Funds I, II and III. CenterOak focuses on business, industrial and consumer services and has built a strong track record of creating value through organisational development, operational improvement and transformational growth.

CenterOak's investment in Turf Masters is a good example of this strategy in action: partnering with a high-quality, founder-built business, investing behind talent, systems and growth initiatives.



Sector: Consumer discretionary
Realised: 2025

Progression through ownership

+19

Bolt-on acquisitions

+20

Locations

+100%

Increase in customer base

>3x

Net MoM on exit

Founded in 2002 by Andy Kadrich in his basement in Atlanta, Georgia, Turf Masters grew from a small local business with a handful of customers into a trusted household name in Atlanta. From the beginning, the company distinguished itself through high-quality application work, exceptional customer service, investment in best-in-class equipment and a people-first culture.

When CenterOak acquired Turf Masters in 2022, the company was a strong regional leader serving approximately 100,000 customers. As the business's first institutional investor, CenterOak partnered closely with management to accelerate Turf Masters' evolution from a regional operator into one of the nation's premier residential lawn care platforms.

CenterOak invested behind the core value creation levers: talent, systems, expanded service offerings and scaled shared services. CenterOak also supported 19 add-on acquisitions, expanding the company's branch network from approximately 20 locations to more than 40 and helping more than double its customer base.

In addition, more than one-third of EBITDA growth was organic, supported by new customer wins, disciplined pricing, strong retention and enhanced cross-selling of high-margin ancillary services.

This balance of strategic M&A and organic execution reflects the strength of Turf Masters' operating model and the durability of its customer value proposition.

The investment in Turf Masters exemplifies CenterOak's differentiated and repeatable value creation approach across its mid-market funds.

The exit of Turf Masters marked the second realisation from Fund II, a 2020 vintage fund, and the fourth CenterOak exit in the past 24 months, with each of those exits generating between 2.2x and 3.5x net money-on-money.



STRONG FOUNDER-LED ORIGIN STORY

Trusted brand with 'local service' quality

Clear differentiation vs competitors

PROVEN SCALABILITY AND RAPID GROWTH

Doubled customer base and branch footprint under CenterOak

Expanded to 40+ locations

TRANSFORMATION INTO A NATIONAL PLATFORM

Now a national lawn care platform

Professionalised business

POSITIONED FOR GROWTH UNDER NEW OWNERSHIP

Realised in December 2025 for > 3.0x net MoM

Strong systems, talent and expanded service offering

Investment review continued

Diversification driving sustainable growth

Performance

At 31 March 2026, the pool was valued at £940.9m, comprising £583.7m of North America funds, £354.0m of Asia funds and £3.2m of legacy fund investments. The pool generated a total return of 4.9% (7.1% in local currencies), driven by positive performance from both our North America (6.8% in local currency) and Asia (7.7% in local currency) holdings. Including the impact of foreign exchange, over the last 10 years, the Funds pool has delivered annualised returns of 13.1% p.a..

The North America portfolio performance was underpinned by quality realisations and continued robust operating performance of the underlying companies. Distributions have remained subdued, as anticipated, amid continued macroeconomic uncertainty and geopolitical headwinds. We believe the portfolio is resilient, with significant exposure to domestic end markets in the US and to businesses characterised by sticky revenue profiles. In our view, this leaves the portfolio well positioned to withstand the current period of volatility. Although we remain confident in

the fundamental strength of the underlying companies, we expect distributions to remain moderated in the near term given the prevailing broader external environment.

Performance of the Asia portfolio was driven by a number of specific exits in the biotechnology sector across several funds and a recovery in Asia listed valuations. It is encouraging to see increased fundraising and IPO activity in the region. We believe the portfolio remains well positioned, with selective exposure to attractive long-term growth themes including biotechnology, electric vehicles and robotics. Distributions have increased from post-Covid lows and, while still below previous peak levels, this marks further progress.

Investment activity

Overall, the Funds pool generated a net cash outflow of £2.5m in the year. Drawdowns totalled £116.8m, with 67% deployed into North America funds and the balance into Asia funds. Distributions totalled £114.3m, with 73% distributed from the North America portfolio.

Significant manager exposure

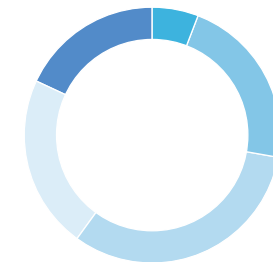
Name	Business	Geography	First invested	Value £m	Pool %	Return %
De Cheng funds	Private equity funds	Asia	2015	76.9	8.2	23.3
Axiom Asia funds	Funds of funds	Asia	2012	69.9	7.4	(1.1)
HighVista Funds	Funds of funds	US	2013	67.7	7.2	(6.2)
Unicorn funds	Funds of funds	Asia	2018	41.8	4.4	(3.6)
Vance Street funds	Private equity funds	US	2021	32.9	3.5	24.3
Asia Alternatives funds	Funds of funds	Asia	2012	32.5	3.5	(0.3)
Ironbridge funds	Private equity funds	US	2016	30.3	3.2	25.3
American Industrial Partners	Private equity funds	US	2024	28.9	3.1	23.8
Stonepeak funds	Private equity funds	US	2015	28.5	3.0	(0.3)
Transom funds	Private equity funds	US	2017	26.9	2.9	11.6
Other investments				504.6	53.6	
				940.9	100.0	4.9

Portfolio maturity

Our primary funds portfolio has a weighted average age of approximately 4.7 years (31 March 2025: 4.3 years). The weighted average age of our North America holdings is 4.6 years (31 March 2025: 4.0 years). The increase in weighted average age reflects extended holding periods in a slower exit environment. The weighted average age of our Asia holdings is 4.9 years (31 March 2025: 4.9 years).

Uncalled commitments

PORTFOLIO MATURITY (%)
(EXCLUDING FUNDS OF FUNDS)



< 1 year	6%
1 - 3 years	22%
3 - 5 years	32%
5 - 7 years	22%
7 years plus	18%

At 31 March 2026, uncalled commitments were £346.1m (2025: £415.9m), 78% to North America and 22% to Asia.

During the year, US\$55m was committed to North America lower mid-market buyout funds; US\$30m to an existing manager and US\$25m to a new manager.

Financial review

Positive value

Caledonia ended the year with net assets of £2,980m (568p per share) (2025: £2,932m; 548p per share), delivering a return of 5.4% for the year. This NAV performance was driven by generally good operating performance across the portfolio in challenging conditions, partially offset by recent equity market volatility and foreign exchange movements. Backed by a portfolio of high-quality companies and a long-term investment philosophy, we are well positioned to navigate uncertainty and deliver sustainable real returns over time.

“ Our strong balance sheet and liquidity position give us the flexibility to invest when the right opportunities arise. ”

Rob Memmott
Chief Financial Officer



uplift

Financial review continued

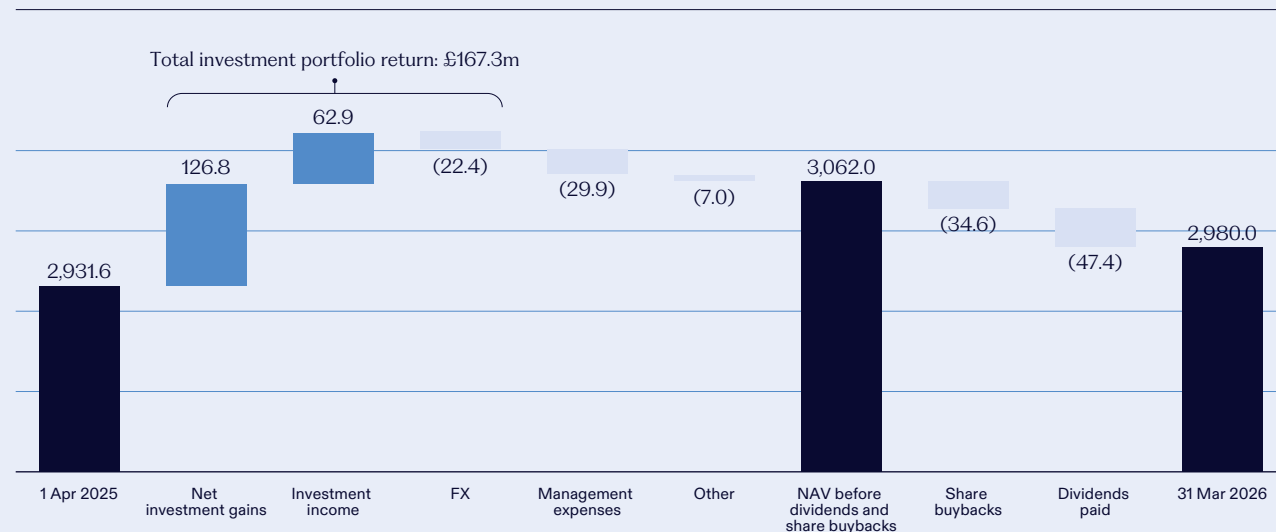
Our annualised NAVTR over 10 years is 9.2%, outperforming inflation by 5.8% and the FTSE All-Share by 0.5% over the same period.

Summary balance sheet

£m	31 Mar 2025	Investments	Realisations	Investment income ¹	Total return	31 Mar 2026
Total investment portfolio	2,732.7	265.2	(257.1)	(60.3)	167.3	2,847.8
Other investments ²	10.9	–	–	(8.9)	(3.4)	(1.4)
Total investments³	2,743.6	265.2	(257.1)	(69.2)	163.9	2,846.4
Net cash	151.3					90.0
Other net assets	36.7					43.6
Net assets	2,931.6					2,980.0

- Investment income is net of movement in accrued income of £2.6m.
- Other investments include -£1.4m of non-pool provisions (31 March 2025: £10.9m non-pool investment).
- Total investments as at 31 March 2026 includes £279.3m (31 March 2025: nil) relating to one investment that was classified as assets held for sale in the group's statement of financial position.

CHANGE IN NET ASSETS (£M)



Total comprehensive income

The company seeks to generate total profits from both investment income and capital growth. For the year ended 31 March 2026, total comprehensive income was £135.1m (2025: £66.9m), of which £40.4m (2025: £30.9m) was derived from revenue and £94.7m (2025: £36.0m) from capital.

Revenue performance

Total comprehensive income was £40.4m (2025: £30.9m), an increase of £9.5m, driven by an £11.2m increase in investment income from the portfolio, £3.4m decrease in ongoing management fees and other non-recurring expenses, offset by £5.4m of lower net finance income.

Investment income from the portfolio of £54.9m (2025: £43.7m) is comprised of £23.2m of dividends from Public Companies (2025: £21.8m), £28.1m from Private Capital (2025: £17.5m) and £3.6m from Funds (2025: £4.4m). The increase of £10.6m in Private Capital is mainly due to the AIR-serv dividend of £24.5m in the year, of which £8.0m is included in the Capital comprehensive income statement.

Investment income from other investments totalled £8.9m (2025: £9.0m), representing a distribution paid by an intra-group non-consolidated entity from trading reserves.

The company's revenue management expenses were £1.3m lower than last year at £24.6m (2025: £25.9m), primarily reflecting a reduction in non-recoverable indirect taxes.

Ongoing charges

Our ongoing charges ratio for the year was 0.83% (2025: 0.87%). This ratio is calculated on an industry standard basis, comprising published management expenses over the monthly average net assets.

Financial review continued

Income statement

	31 Mar 2026			31 Mar 2025		
	Revenue £m	Capital £m	Total £m	Revenue £m	Capital £m	Total £m
Investment income – portfolio ¹	54.9	8.0	62.9	43.7	–	43.7
Net gain on fair value investments – portfolio ²	–	104.4	104.4	–	50.2	50.2
Total return	54.9	112.4	167.3	43.7	50.2	93.9
Investment income – other investments ¹	8.9	–	8.9	9.0	–	9.0
Net loss on fair value investments – other investments ²	–	(12.3)	(12.3)	–	(6.3)	(6.3)
Net gain / (loss) on fair value property	–	0.6	0.6	–	(1.3)	(1.3)
Other income	0.9	0.6	1.5	0.9	0.4	1.3
Total net investment income	64.7	101.3	166.0	53.6	43.0	96.6
– ongoing management	(24.6)	–	(24.6)	(25.9)	–	(25.9)
– performance awards ³	–	(4.7)	(4.7)	–	(5.8)	(5.8)
– transaction costs	–	(0.6)	(0.6)	–	(0.3)	(0.3)
– exchange movements and other	(0.2)	–	(0.2)	(1.3)	–	(1.3)
– other expenses (non-recurring)	(0.8)	–	(0.8)	(2.9)	–	(2.9)
Net finance costs	1.0	–	1.0	6.4	–	6.4
Taxation and other	0.3	(1.3)	(1.0)	1.0	(0.9)	0.1
Total comprehensive income	40.4	94.7	135.1	30.9	36.0	66.9

1. Total investment income from the portfolio and other investments £71.8m (2025: £52.7m).

2. Total net gain on fair value investments from the portfolio and other investments £92.1m (2025: £43.9m).

3. Performance awards of £4.7m includes £0.3m of costs recharged to an intra-group (non-consolidated) entity (2025: £0.5m of costs recharged).

Caledonia allocates expenses between revenue and capital in accordance with guidance from the Association of Investment Companies and broader market practice. In addition to transaction costs, share-based payment expenses are allocated to capital. Caledonia's share-based compensation is directly linked to investment performance and is therefore viewed as an expense against gains on investments.

Capital performance

Total comprehensive income was £94.7m (2025: £36.0m). The movement compared to last year is predominantly due to the higher levels of capital gains achieved from our investments.

Net fair value gains from the portfolio were £104.4m (2025: £50.2m), and together with portfolio investment income, as described above, of £54.9m (2025: £43.7m) and capital investment income of £8.0m (2025: nil), the portfolio generated a total return of £167.3m (2025: £93.9m), or 6.1%. Foreign exchange detracted from performance – with 53% of our NAV denominated in US dollars, the 2.2% strengthening of Sterling against the US dollar resulted in a £22.4m loss across our investment pools.

There was a property gain of £0.6m (2025: £1.3m reduction) reflecting stable property valuations on commercial properties.

The company's capital management expenses relating to performance awards were £4.7m (2025: £5.8m). Transaction costs of £0.6m (2025: £0.3m) were incurred, mainly linked to due diligence work on new private equity and fund investments.

Valuation

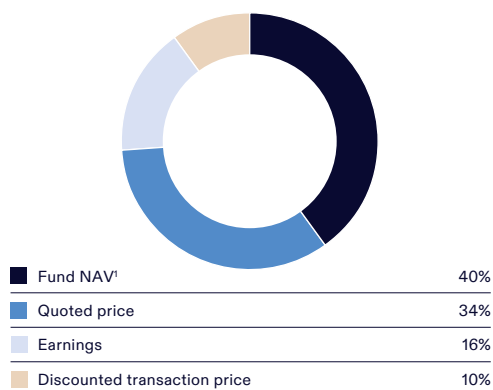
The company maintains a considered valuation approach to all investments, applying caution in exercising judgement and making the necessary estimates.

Financial review *continued*

All listed investments are valued based on the closing bid price on the relevant exchange as at 31 March 2026. Private Capital investments are valued biannually, principally on a normalised EBITDA/market multiple basis, in line with the latest IPEV guidelines. Our holding in Cobepa is derived from the valuation it prepares and Stonehage Fleming is held at discounted transaction price. The Funds pool valuations are based on the most recent valuations provided by the fund managers, subject to cash movements from the valuation date. We reviewed the valuation methodologies adopted by fund managers and applied supplementary consideration, where appropriate, to ensure that market trends, including the impact of the wider market sell off in March 2026 and other developments at the reporting date, were appropriately reflected in the Funds pool valuations. No adjustments to fund manager valuations were required. The NAV of the Funds pool comprised 1.9% based on valuations dated 28 February 2026, 86.4% dated 31 December 2025 and 11.7% dated 30 September 2025.

The following chart summarises the source of valuations across the portfolio, illustrating that 74% of the portfolio value is subject to either market prices or independent external valuation.

POOL ASSETS BY VALUATION METHOD



1 Includes Private Capital investment in Cobepa.

Dividend

We recognise that a reliable source of growing dividends is an important part of shareholder return over both the short and longer term and have extended our record of growing annual dividends to 59 consecutive years. We paid an interim dividend of 3.68p per share on 8 January 2026 and have proposed a final dividend of 4.00p per share. The total annual dividend for the year of 7.68p per share is an increase of 4.4% on last year. The interim dividend was re-profiled in the year to be 50% of the prior year's total annual dividend, providing shareholders with a more balanced dividend payment profile and a more predictable income stream.

Including the proposed final dividend, the dividends to be paid out of revenue earnings for the year ended 31 March 2026 total £39.9m, which is covered by net revenue for the year of £40.4m.

Capital allocation

Disciplined management of the balance sheet is fundamental to maintaining its strength and to ensuring the efficient allocation of capital. Each of our investment pools has a strategic allocation range to support a balanced portfolio and at 31 March 2026, all pools were within their respective ranges. Following completion of the sale of Stonehage Fleming, we expect the allocation to Private Capital to reduce temporarily until new investment opportunities are identified and we are comfortable with that position. This reflects our disciplined approach to capital allocation and our commitment to remaining selective.

Alongside allocation to our investment strategies, we remain committed to our dividend policy and, where appropriate, share buybacks. While buybacks are an important tool in managing the share price discount and enhancing NAV per share, they must be balanced against the need to remain appropriately invested in the portfolio and positioned for long-term value. Over the course of the year we allocated £34.6m to purchase and cancel 9,465,511 shares at an average discount of 34.7%, generating 3.49p or 0.6% of NAV per share accretion.

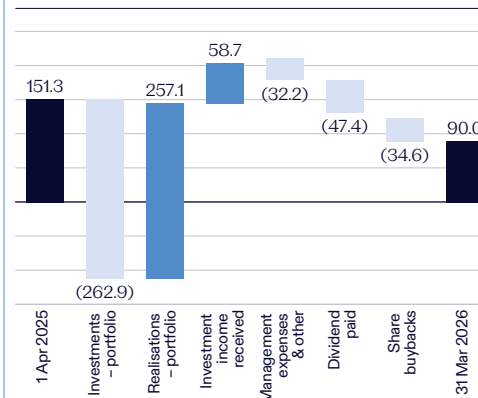
Cash flows, liquidity and facilities

On 13 May 2026 the revolving credit facility of £325m was extended for a further two years on exactly the same terms. The facility comprises £150m over a five-year term expiring in August 2031 and £175m over a three-year term expiring in August 2029.

At 31 March 2026, total liquidity of cash and undrawn facilities was £415.0m, comprising £90.0m of cash and £325.0m of undrawn facility. Proceeds of c.£290m from our agreed sale of Stonehage Fleming, expected in mid 2026, will further enhance our liquidity position.

Our net portfolio investment cash flows were an outflow of £5.8m. Investment into our portfolio totalled £262.9m. Realisations from our portfolio totalled £257.1m. After investment income, management expenses, dividend payments to our shareholders and share buybacks, net cash outflow was £60.9m. At 31 March 2026, our net cash was £90.0m (31 March 2025: £151.3m).

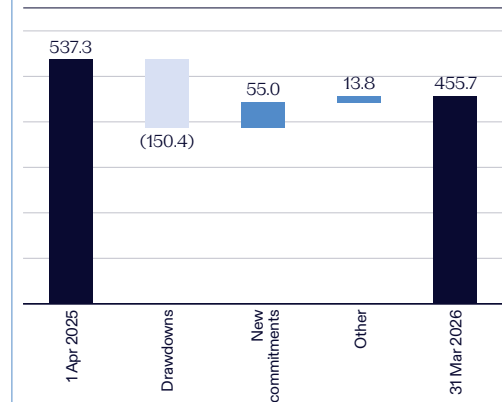
MOVEMENT IN NET CASH (£M)



Uncalled commitments

Our total uncalled commitments were £346.1m or US\$455.7m (2025: £415.9m, US\$537.3m), split 78% in North America and 22% in Asia. During the year we committed a total of US\$55m (2025: US\$200m) to two North American managers.

UNCALLED COMMITMENTS (US\$M)



Foreign exchange

62% of our net asset value is non-Sterling denominated. We do not hedge our foreign currency exposure. However, this risk is fully recognised by the business and considered carefully within our risk management framework.

Rob Memmott

Chief Financial Officer
18 May 2026

Sustainability

Investing for the long term

As an investment company, we outline how we approach our investment decisions responsibly, and manage our portfolio for today and the future.

We also explore how we manage our business operations, for the benefit of our employees and wider stakeholders.

What's in sustainability?

Responsible investing

Our approach	44
Our investment portfolio	45
Climate and the transition to net zero	47
TCFD summary	50

Our people and culture

Employee engagement	52
Fundraising and volunteering	52
Intern programme	53
The Caledonia Investments Charitable Foundation	53
Equality, diversity and inclusion	54
Working environment	55
Health and safety	55
Grievance procedure and whistleblowing	55

Sustainability continued

Our approach recognises that value creation is built over years, through careful judgement, enduring partnerships and responsible decision-making.

Our commitment to sustainability extends to our people and wider stakeholders. We actively promote an inclusive and supportive culture based on our values – insightful, supportive, responsible, considered and long term.

“ We’re very lucky with the environment in which we work, the resources that are made available to us and the colleagues we work amongst. Caledonia has a great culture. ”

Employee
Caledonia Investments

Responsible investing

We believe that responsible investment and business success go hand in hand. We are committed to building businesses for the long term and consider the environmental, social and governance ('ESG') impact of the investments that we make.

[Read more](#)

➔ PAGE 44



Our people and culture

Our people are central to Caledonia's long-term success. We aim to foster a working environment that is collaborative and aligned with our values of being insightful, supportive, responsible, considered and long term.

[Read more](#)

➔ PAGE 52



Sustainability continued

Responsible investing

We believe that responsible investment and business success go hand in hand. We are committed to building businesses for the long term.



Our approach

Our approach to responsible investment ('RI') and sustainability is grounded in our long-term investment philosophy, reflected in the characteristics we value in the companies and fund managers with whom we partner.

We expect to invest in businesses and funds which will:

- Grow, provide employment and generate economic benefit in an environmentally and socially responsible way, both during and after our ownership
- Take a responsible approach towards the environment and society, based on good governance practices

Responsible Investment / Responsible Corporate ('RI/RC') Working Group

Caledonia's RI/RC Working Group advises and assists in the development and implementation of Caledonia's approach to sustainability matters, including climate-related issues. The group meets regularly throughout the year.

The working group:

1

Advises and assists in the continued development of and implementation of our approach to ESG matters across the business.

2

Seeks to ensure that ESG matters are appropriately factored into decision-making processes.

3

Continues to develop understanding of climate-related matters.

4

Supports the development of our reporting, particularly on climate-related matters.

MEMBERS

Executive:

- Chief Executive Officer (Chair)
- Chief Financial Officer

Investment pools:

- Senior members of Public Companies
- Senior members of Private Capital
- Senior members of Funds

Group:

- Company Secretary
- Other key corporate managers

Sustainability continued

Our investment portfolio

We believe that responsible investment and business success go hand in hand. We are committed to building our businesses for the long term and consider the ESG impact of the investments we make.

Through proactive and constructive engagement with our portfolio, we are committed to fostering continuous improvement and driving positive change.

Public Companies

Guided by deep fundamental research with a disciplined focus on quality and resilience, selection risk is managed by analysing numerous characteristics for each company. These include:

- High-quality and durable business models that enable long-term compounding
- Attractive end markets, for example with secular growth tailwinds or limited competition
- Management with strong capital allocation who think like owners; 'culture is key'
- Typical good returns of capital

As active investors focused on the long term, monitoring and engagement forms an important part of how the team operates:

- We exercise our voting rights judiciously. Votes are cast on all our holdings, ahead of shareholder meetings
- We maintain open, direct dialogue with the company to understand key issues
- We will vote with management unless we believe it is contrary to our interests as a long-term shareholder

Our approach means we do not typically invest in capital intensive businesses directly involved in the extraction and production of coal, oil or natural gas.

Public Companies portfolio:
climate change metrics and targets

➔ PAGE 47

Private Capital

As 'buy to own' investors, the team works closely with management to support operational improvement, good governance and compliance with relevant sustainability regulations through a lens of value creation and risk management.

This is done through the following:

- Board representation to enable active oversight, influence and support on strategic, operational and governance matters
- Regular, direct engagement with management to review existing risks, identify new ones, and monitor progress on key mitigation initiatives
- Structured ESG monitoring – including annual ESG surveys, TCFD-aligned climate risk assessments and company-specific KPIs – allowing us to ensure that risks are well managed and opportunities for improvement are acted upon

Private Capital portfolio:
climate change metrics and targets

➔ PAGE 48

Funds

Partnering with over 45 managers and investing in over 80 funds with an underlying portfolio of over 600 companies, our diligence, monitoring and engagement framework is centred on the following:

- Due-diligence: before committing to a manager, we assess how ESG considerations are integrated into their organisation, investment processes and portfolio management
- Ongoing engagement and transparency throughout each fund's life: we maintain close dialogue with our managers, engaging through regular communications and update meetings. Where we hold an Advisory Board seat, we request that ESG is included on annual meeting agendas. This enables us to stay informed on material risks, emerging issues and the progress of ESG initiatives
- Monitoring ESG performance and climate risk across the portfolio: we continue to refine the proxy calculation methodology to increase accuracy and enhance our monitoring to provide deeper insights across the portfolio

Sustainability continued

A SPOTLIGHT ON DTM



B-Corporation ('B-Corp') status for DTM

Within Private Capital, our portfolio company DTM successfully achieved B-Corp certification in November 2025, marking a significant milestone in its journey to embed responsible business practices at the heart of its operating model.



B-Corps are a network of businesses committed to operating ethically and sustainably. Businesses which meet the requirements are viewed as respected leaders in their field and must apply for recertification every three years, helping to ensure the highest levels of commitment.

A business built around people, customers and responsible growth

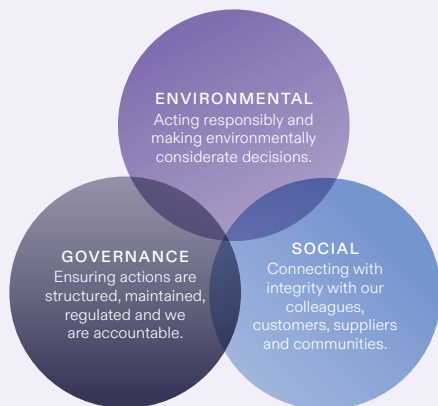
Headquartered in Blackpool, DTM is the UK's leading independent tyre management provider, managing over 285,000 vehicles and around 1.3 million tyres for fleet customers across the UK, enabled by a scalable, technology-led platform and a national network of service providers.

As a team, DTM has a genuine ambition to act responsibly for each other, their customers and communities and for the environment.

Governance that supports long-term resilience
DTM operates a robust governance framework. In 2025, the company successfully renewed a comprehensive suite of ISO certifications (9001, 14001, 45001 and 50001) and completed recertification for Cyber Essentials Plus, with work underway to implement ISO 27001 – strengthening data security across the organisation.

Clear climate ambition, backed by measurable progress
DTM has set a net zero target for 2040, with an interim commitment to halve emissions by 2030 (versus a 2021 baseline). Transparent measurement of Scope 1 and 2 emissions cover all operations, including its vehicle fleet.

DTM'S ESG STRATEGY COMMITTED TO A SUSTAINABLE FUTURE



DTM's approach is underpinned by its internal standards known as the PACE framework:

People & culture, Approved network, Customer focus and Environmental responsibility

Ensuring that ESG considerations inform decision-making across the organisation, the company is a Living Wage Employer and places colleague wellbeing at the centre of its culture, evidenced by its Platinum Charter membership for mental health. Regular engagement through employee and customer surveys ensures the company maintains high levels of retention, performance and service quality, with insights actively shaping policies and reinforcing DTM's high service ethos.

“ We would like to congratulate the whole team at DTM for this certification. It recognises their continued progress across governance, social value creation and environmental management, providing external validation of the quality and maturity of their approach. ”

Tom Leader
Head of Caledonia Private Capital

THE PACE FRAMEWORK UNDERPINNING ALL AREAS OF DTM'S BUSINESS

People & culture

Knowledgeable, inclusive, supportive team, connecting respectfully with our colleagues, customers, suppliers and communities.

Approved network

Extensive, high-quality certified service network, enabling us to minimise vehicle downtime and provide a quick response when assistance is needed.

Environmental responsibility

Actively committed to an ESG strategy, we act responsibly, and with integrity, making environmentally considerate decisions.

Customer focus

Delivering a customer-focused approach that builds valued relationships through digital platforms. We provide data and insight to help keep our customers safe and informed whilst reducing their carbon impact.



Sustainability continued

Climate and the transition to net zero

Our portfolio

As long-term investors, we take a proportionate, pragmatic approach to climate-related risk management that reflects the nature of each of our investment pools while ensuring climate-related risks and opportunities are appropriately considered. We recognise the importance of understanding, assessing and managing the potential impacts of climate change across our investment portfolio.

We engage with our underlying portfolio companies and fund managers to understand and assess their carbon emissions, while continuing to enhance our monitoring and reporting systems to enable us to track progress towards a low-carbon future. We have set an expectation that the businesses in which we invest target net zero Scope 1 and 2 (market-based) emissions by 2050. The pace at which these targets are achieved will vary across our portfolio, reflecting differences in business models, sector dynamics and the evolving nature of climate-related risks and opportunities, including regulatory developments, changes in consumer preferences and increasing pressure to reduce emissions and address broader environmental issues.

Public Companies

Across Public Companies, we benefit from the more established disclosure frameworks adopted by listed businesses, while actively monitoring areas of heightened climate exposure and risks. We continue to expect that all businesses develop and implement strategies to achieve net zero Scope 1 and Scope 2 emissions by 2050, or sooner if possible.

For our TCFD reporting, we continue to use the MSCI World Index as a benchmark owing to its similar sector exposure to the companies within our portfolio.

The data we draw on from MSCI is subject to a reporting lag. The figures for 2026 primarily cover the period from 1 June 2024 to 31 May 2025, while the comparative data largely reflects the period from 1 June 2023 to 31 May 2024.

The table below presents the primary metrics we use to quantify the Scope 1 and Scope 2 greenhouse gas ('GHG') emissions of the Public Companies pool, which form part of the aggregate emissions linked to our investment portfolio:

Latest annual reported data	Scope	Pool (2026)	Benchmark (2026)	Variance vs benchmark	Pool (2025)	Units
Total carbon emissions	1 and 2	13,186	41,157	-68%	12,956	tonnes CO ₂ e
Carbon footprint	1 and 2	14	43	-68%	13	tonnes CO ₂ e / \$m invested
WACI	1 and 2	58	104	-44%	51	tonnes CO ₂ e / \$m sales

Carbon emissions data for our public company investments was obtained from the MSCI One platform. MSCI collects the data from publicly available sources, including annual reports, the Carbon Disclosure Project and Government databases. All carbon emissions data collected is classified per the GHG Protocol methodology to enable aggregation and comparability across investee companies and sectors. We have not sought to verify this data and assume no responsibility for its accuracy or completeness.

The Public Companies pool saw a 2% increase in total carbon emissions over the year. This increase was predominantly driven by changes in portfolio composition, including the addition of new holdings and two disposals during the year. Despite this increase in absolute emissions, the pool continues to demonstrate materially lower emissions intensity than the benchmark across all reported metrics.

Other key climate metrics we use to monitor companies in our Public Companies pool are as follows:

Other metrics	Pool (2026)	Pool (2025)
Companies targeting net zero for Scope 1 and Scope 2 by 2050	78%	82%
Companies with a top quartile carbon management score	44%	60%
Green revenue exposure	5%	5%

The majority of the companies in our Public Companies pool have plans to achieve net zero emissions by 2050 or sooner. A small number of companies have yet to establish net zero targets and contribute c.16% of the pool's total carbon emissions. Based on our knowledge and engagement with these companies and their commitment to good corporate governance, we believe they will establish appropriate targets.

While the proportion of companies with top quartile carbon management scores has declined, the metric continues to indicate a solid level of climate management capability across the pool. This reflects its evolving composition and varying stages of climate strategy maturity among investee companies. We remain confident that, through ongoing engagement and oversight, companies will continue to strengthen their management of climate-related risks and opportunities in line with our net zero expectations.

Sustainability continued

Private Capital

Within our Private Capital portfolio, our engaged ownership model enables us to support companies to develop their climate strategies, including encouraging transparent reporting of Scope 1 and 2 emissions and identifying operational improvements that can reduce environmental impact.

This is the second year we have provided emissions data for our Private Capital businesses. Emissions will vary significantly due to the different types of businesses we own in the portfolio. This year, as these companies have continued to refine their reporting processes and collect more comprehensive data, we have seen total carbon emissions increase, a reflection of greater transparency and data availability.

Latest reported data ¹	Scope	Pool (2026)	Pool (2025)	Units
Total carbon emissions ²	1 and 2	7,127	6,743	Tonnes CO ₂ e
Carbon footprint	1 and 2	10	10	Tonnes CO ₂ e / £m NAV
WACI	1 and 2	14	10	Tonnes CO ₂ e / £m sales

1. Since each of our portfolio companies has a different financial year-end, we have included the most recent data available.
2. Excluding our investment in Cobepa, a private equity manager with an underlying portfolio of companies, 99.9% of net asset value of our Private Capital pool have provided emissions data, with most reporting the majority or all of their Scope 1 and 2 emissions.

Funds

In our Funds portfolio, we continue to work closely with our managers to support improved transparency and to understand how climate-related risks are assessed within their own investment processes.

We have begun to develop our metrics and methodology for initial analysis of the weighted average carbon intensity of the Funds portfolio using estimation factors derived from public markets proxy data and will continue to refine this data based on the availability of data received from the managers of the underlying funds.

Our business operations

We operate our business activities from a single central London office. Whilst our operational footprint is modest in comparison to our broader investment activities, we remain committed to operating our business in an efficient manner and to reducing our climate impact where feasible.

We set an ambitious goal to achieve net zero emissions for Scope 1 and Scope 2 (market-based) emissions by 2030. We achieved our goal of net zero Scope 2 (market-based) emissions following the switch to a renewable energy provider in 2022. In late 2025 we installed solar panels on the roof of our office which are expected to make a small reduction to our location-based emissions in future years.

Our transition strategy to achieve net zero Scope 1 emissions is dependent on the implementation of a low-carbon alternative to replace our traditional gas boiler heating system. During the year we completed an assessment to achieve this, concluding a replacement with electric technology will be required by 2037. Once implemented we expect our remaining Scope 1 emissions to reduce to net zero. We have therefore revised our target with a goal to achieve net zero Scope 1 emissions by 2037 and to maintain net zero Scope 2 (market-based) emissions.

We continue to recycle nearly all waste and ensure that wastewater is safely returned to the sewer system. The resulting emissions from water and waste processes are categorised under 'other' Scope 3 emissions and are considered immaterial.

It is worth noting that electricity consumption has risen since 2020, mainly due to the return of colleagues to the office following the Covid-19 pandemic and, more recently, our decision to operate 24-hour security for enhanced safety. However, we continue to take measures via the adoption of new technologies to help reduce our energy demand.

Travel

Employees primarily commute to the office via public transport and we actively encourage sustainable travel through our cycle to work scheme. Our reported Scope 3 emissions primarily relate to international business travel. This remains an important part of how we engage with and oversee our globally diversified investment portfolio. Although our reported Scope 3 emissions have reduced over the year, as long-term stewards of our shareholders' capital, maintaining strong relationships with our portfolio companies and fund managers is fundamental to our investment approach so we expect these emissions to vary considerably from year to year, reflecting the continued need for face-to-face engagement to ensure robust oversight and risk management.

Sustainability continued

Climate change metrics and targets including greenhouse gas emissions

The data in the following tables has been prepared in accordance with the regulations, The Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018, which implemented the Government's policy on Streamlined Energy and Carbon Reporting ('SECR').

Scope	Source of GHG emissions – year to 31 March	Tonnes CO ₂ e						
		2020	2021	2022	2023	2024	2025	2026
Scope 1 (direct emissions)	Combustion of fuel & facilities operation	24	19	17	16	14	14	16
	Including company car use (sold in April 2022)	-	-	4	-	-	-	-
Scope 2 (indirect emissions)	Electricity purchase for own use (location-based)	57	47	45	52	59	61	62
	Electricity purchase for own use (market-based)	57	47	-	-	-	-	-
Scope 1 & 2- location-based		81	66	66	68	72	75	78
Scope 1 & 2- market-based		81	66	21	15	14	14	16
Scope 3 (indirect emissions)	Business travel	371	7	94	243	375	825	350
	Other	-	-	-	1	1	-	1
Total – location-based		452	73	160	312	448	900	429
Total – market-based		452	73	115	259	389	839	367
KPI – location-based	Total emissions per average number of employees	7.5	1.2	2.6	5.0	6.3	11.8	5.7
KPI – market-based	Total emissions per average number of employees	7.5	1.2	1.9	4.2	5.5	11.0	4.9
Average number of employees		60	61	61	62	71	76	75

Please note:

- These emissions have been calculated in accordance with the GHG Protocol Corporate Accounting and Reporting Standard guidelines using UK Government GHG Conversion Factors for Company Reporting.
- Caledonia consumes all its water from the mains, which we understand is sourced from high stressed areas, with all its waste water currently being returned to the sewer. The resultant CO₂ emissions from its use of water are less than 1 tonne.
- Caledonia generates a mix of recycled and general waste. The related Scope 3 GHG emissions are included within 'Other' in the table above.
- The location-based method reflects the average emissions intensity of the grids on which energy consumption occurs, while the market-based method reflects emissions from the 100% renewable electricity that we have chosen to purchase.
- All of our reported emissions arise in the UK, with business travel primarily departing from or arriving in the UK. Accordingly, this table does not include a separate column showing the annual UK proportion of global emissions.
- The emission sources shown in the table above relate to companies included in the consolidated financial statements. Under the SECR regime we are not required to report any emissions from companies outside the consolidated group.
- Caledonia does not release any hazardous air pollutants. Material hazardous waste is limited to batteries and print toner, both of which are responsibly recycled.

Other metrics	Unit	2020	2021	2022	2023	2024	2025	2026
Electricity usage	KWh(k)	224	199	214	270	286	298	357
Gas usage	KWh(k)	100	93	91	76	67	68	80
Water consumption	m ³	Data not available			798	1166	1085	1394
General mixed waste	tonnes	Data not available			-	-	-	-
Mixed recycling	tonnes	Data not available			-	-	-	-
WEEE waste	tonnes	Data not available			-	-	-	-
Confidential waste	tonnes	Data not available			2	2	3	2
Waste generation	tonnes	Data not available			2	2	3	4
Waste recycled	%	Data not available			99%	99%	100%	100%

Sustainability continued

TCFD summary

We continue to recognise the importance of clearly communicating both financial and non-financial ESG performance to our stakeholders.

This is the fourth year we have produced a separate Task Force on Climate-related Financial Disclosures ('TCFD') report. The following section, which should be read in conjunction with our TCFD report, summarises our response to each of the TCFD recommendations, and explains how we incorporate climate-related risks and opportunities into each of the four TCFD pillars of governance, strategy, risk management and metrics and targets.

As required by Listing Rule 6.6.6R (8), we consider these climate-related disclosures to be consistent with the TCFD recommendations and recommended disclosures, other than the completion of scenario analysis (strategy pillar disclosure (c)) and the development of metrics and targets for all of our investment assets (metrics and targets pillar disclosures (a), (b) and (c)).

We have fully addressed the assets within our Public Companies pool. We have also increased our disclosure for our Private Capital pool. Over time we will seek to develop our metrics and methodology further as the quality of data improves and more information is available for our Funds pool.

Governance

Disclose the organisation's governance around climate-related risks and opportunities.

The board is collectively responsible for the long-term success of Caledonia. It sets the company's strategy, ensures that the necessary financial and human resources are in place to enable the company to meet its objectives, and reviews management performance.

Caledonia's governance structure is proportionate to the size and complexity of the business, with clearly defined responsibilities and delegated authority. The board has delegated overall responsibility for the delivery of the strategy to the Chief Executive Officer. Our governance and reporting frameworks enable the board to have oversight of the climate-related risks and opportunities which could impact our business.

The board conducts deep-dive reviews of the activity and performance of each of Caledonia's three investment pools annually. To provide enhanced visibility and monitor progress, an assessment of climate-related risks and opportunities, together with appropriate metrics, is incorporated into reporting.

The remuneration structure for our executive directors includes two variable pay elements:

- a. short-term incentive (bonus) to reward performance on an annual basis against key financial and personal objectives.
- b. long-term incentive to motivate the delivery of long-term shareholder value.

The structure of the annual bonus includes an assessment of delivery against personal objectives, which include elements related to responsible investment and being a responsible corporate.



TCFD report 2026

Our fourth standalone TCFD report sets out our progress towards meeting all TCFD recommendations.

The purpose of this report is to provide our shareholders and other stakeholders with a better understanding of our exposure to climate-related risks, our strategic resilience to these risks and the climate-related opportunities for our business.



Read the full report

➔ SCAN QR CODE

Sustainability continued

Strategy

Disclose the actual and potential impacts of climate-related risks and opportunities on the organisation's businesses, strategy and financial planning where such information is material.

Our strategic aim is to achieve capital appreciation and dividend growth for our shareholders over the long term through disciplined investment and active stewardship of the assets in our portfolio. We recognise our responsibility to support the transition to a lower-carbon economy. This is why we have set an expectation that the businesses in which we invest should target net zero emissions by 2050 (Scope 1 and Scope 2, market-based). We keep this commitment under review, recognising the pace of progress will vary across sectors and individual companies, reflecting differing business models and operational footprints.

Our investment portfolio is well-diversified, with limited direct exposure to high carbon-emitting industries such as oil and gas. We seek to avoid investment in businesses that cause material harm to the environment unless they have a clear strategy to reduce their impact over time.

We have considered both physical and transition risks over three time horizons. The availability of robust data and quality information is a prerequisite to effective analysis. We have used the most recent data and information for the constituent businesses in the Public Companies pool using MSCI's One platform. This data has been used to support a scenario analysis exercise to confirm the resilience of the pool to both physical and transition risks, under various climate scenarios.

The scope of the analysis for the Private Capital pool covers seven investee companies in the portfolio as at 31 March 2026. A data collection framework to measure company-specific key performance indicators alongside an annual survey enables year-on-year progression to be measured on carbon emissions and other related metrics. The analysis is qualitative in nature. Unlike the Public Companies pool, there is no distinction between the methodology applied for physical and transition risks. The scenario analysis is tailored to the characteristics of each company in the portfolio and is performed with reference to its sector and geographic footprint.

Within the Funds pool, we encourage General Partners to incorporate climate-related risks and opportunities into their investment processes and portfolio oversight and anticipate that similar information will be developed for the constituents of this portfolio in future years.

Our business operations have a modest carbon footprint when compared with the impact of our investment portfolio. We remain committed to minimising the impact of our own operations on the environment and mitigating the risks posed by climate change. We set an ambitious goal to achieve net zero emissions for Scope 1 and Scope 2 (market-based) by 2030. We achieved our goal of net zero Scope 2 (market-based) emissions following the switch to a renewable energy provider in 2022.

Risk management

Disclose how the organisation identifies, assesses, and manages climate-related risks.

As noted on page 48, our net zero Scope 1 emissions are dependent on the implementation of a low-carbon alternative to replace our traditional gas boiler heating system. We have therefore revised our target with a goal to achieve net zero Scope 1 emissions by 2037 and to maintain net zero Scope 2 (market-based) emissions.

The corporate approach to risk management is covered on pages 56 to 60 of this report.

Risks are assessed and managed in accordance with our corporate risk management framework which includes ESG & climate change as one of the principal risks.

Assessments of climate-related risks continue to be incorporated into our strategy. In discharging its responsibilities, the board is ultimately accountable for oversight of climate-related risks that could affect the business. Non-executive director oversight of the risk management framework and associated processes is exercised through the Audit and Risk Committee ('ARC').

The Chief Financial Officer is responsible for ensuring that an appropriate risk management framework is in place and each area of the business is responsible for using that framework to identify, assess and report on their risks and controls.

Investment managers identify climate-related risks in the portfolios they manage supported by key functions such as Finance, Tax, Human Resources, Facilities Management and Company Secretarial with further oversight from the Operational Risk Committee and the Head of Risk.

Risks within the companies and funds in which we invest are identified through ongoing research using in-house expertise, external data and reporting from investee businesses. Our business operations use third-party resources to ensure a good practice approach is taken for identifying risks and addressing them in a timely manner.

Metrics and targets

Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.

Alongside our business operations, we continue to report Scope 1 and 2 emissions data of the Public Companies pool and the majority of Private Capital's portfolio NAV.

Information on specific metrics and targets are provided in the TCFD report. In line with SECR requirements, we have also listed our GHG data.

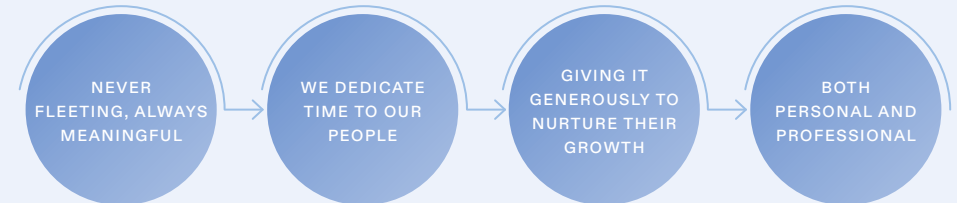
Sustainability continued

Our people and culture

Our people are central to Caledonia's long-term success. We aim to foster a working environment that is collaborative and aligned with our values of being insightful, supportive, responsible, considered and long term. These values shape how we work together, how we make decisions, and how we build trusted relationships across our business.



Our Time Well Invested manifesto guides our day-to-day working culture:



Employee engagement

Employee engagement remains a priority. Building on the two previous colleague engagement surveys, we continue to listen and shape enhancements to our employee experience, wellbeing offering and internal communications, ensuring colleagues' views influence how we continue to evolve as an organisation.

This year we focused on helping colleagues better understand and navigate the benefits available to them. We introduced an educational programme to improve awareness of our workplace pension scheme, enabling colleagues to make more informed decisions about long-term financial planning.

We also launched a new share incentive plan, designed to strengthen alignment between employees and shareholders and to reinforce our culture of long-term ownership. The plan was met with strong engagement, with 82% of colleagues choosing to participate. We were delighted that the plan went on to win 'Best New Share Plan' at the 2025 ProShare Awards.

We continue to invest in a working environment where colleagues feel supported, included and able to grow. Across the business, we promote professional development and a culture that encourages personal accountability and mutual respect. Wellbeing remains a core element of our people strategy. We regularly review our policies and support structures to ensure they meet the evolving needs of our teams. As part of our ongoing wellbeing initiative, we introduced in-office pilates classes during the year, aimed at supporting physical and mental wellbeing.

We will build on the insights gathered from our engagement surveys and maintain regular dialogue with colleagues to ensure Caledonia remains focused on sustaining a culture that empowers people to do their best work and supports long-term growth.

Fundraising and volunteering

Alongside the support to the Caledonia Investments Charitable Foundation, we foster employee and stakeholder involvement across the local communities within which Caledonia and our investee companies operate. We offer employees up to two additional days of leave to support those causes that they feel passionately about.

This year, amongst many activities, teams have spent time volunteering for the Countryside Education Trust and fundraising for The Passage, a charity which supports people at risk of or experiencing homelessness in London.



Sustainability continued

Intern programme

Each summer we welcome a cohort of students onto our 'Sea Lions' intern programme, a four week, structured and inclusive learning experience designed to introduce talented individuals to the world of long-term investing.

The programme forms an important part of our commitment to developing future talent and reflects our culture of investing time in people as well as capital.

The programme provides interns with a holistic understanding of Caledonia and how we create long-term value. They gain exposure to each of our investment pools, meet colleagues from across the business and learn how our long-term philosophy shapes decision-making.

“ The Sea Lions Programme was more than just an internship, it was an investment. Through holistic mentorship, site visits and company socials, the experience stretched us intellectually, expanded our horizons and exposed us to the welcoming Caledonia culture we had heard so much about – it truly was time well invested. ”

Abim Tayo, intern alumnus
2025

The Caledonia Investments Charitable Foundation

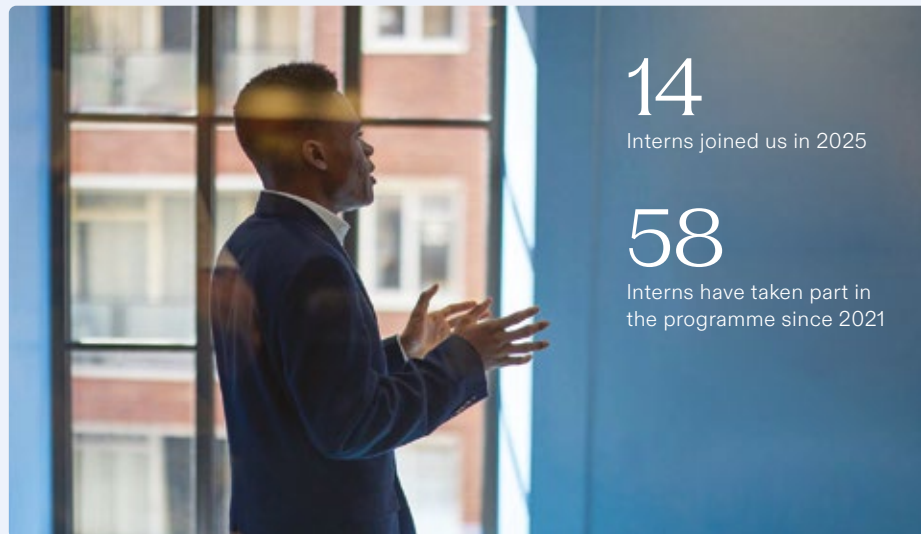
The Foundation aims to provide transformative funding and support to causes linked to Caledonia's history, values, culture and team. This year, the Foundation continued its programme of targeted giving, awarding grants of c.£300,000 from the company, consistent with previous years.

By supporting the development of a small number of charities through a multi-year donation programme, the Foundation hopes to provide a catalyst for change, enabling the charities to make a significant and lasting impact.

This year, the Foundation was pleased to approve a multi-year grant to the Countryside Education Trust ('CET'). Founded in 1975, the CET helps children and adults understand, protect and conserve the countryside, offering immersive residential experiences, outdoor learning and hands-on conservation activities from its Home Farm site in Beaulieu, Hampshire.

The CET operates an educational farm, garden and orchard, a new Fort Climate Centre focused on climate education, and woodland-based treehouse classrooms that inspire learning through direct experience of the natural world. Ensuring fair access for all is central to its mission, enabling children from a wide range of backgrounds to benefit from high-quality outdoor education.

The CET's impact extends beyond schools. Recent programmes have supported internships and training for young people entering conservation and climate-related fields, offering practical skills in sustainable farming, ecology and environmental education.



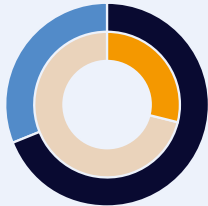
Sustainability continued

Equality, diversity and inclusion

Our recruitment and employment policies are compliant with relevant UK legislation. Recruitment, development and promotion are based on suitability for the role. We will not tolerate discrimination on the basis of age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex or sexual orientation.

While representation across seniority levels has remained broadly consistent, we continue to monitor diversity data across the organisation to identify areas for future focus.

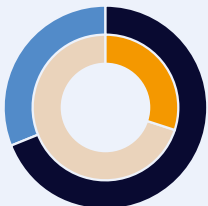
INVESTMENT AND SUPPORT EMPLOYEES 2026¹



Investment employees		Support employees	
Male	69%	Male	29%
Female	31%	Female	71%

1. Excluding non-executive directors.

INVESTMENT AND SUPPORT EMPLOYEES 2025¹



Investment employees		Support employees	
Male	69%	Male	30%
Female	31%	Female	70%



As at 31 March 2026, the gender distribution across the business is as follows:

	Male number (%)		Female number (%)	
	2026	2025	2026	2025
Board	8 (73%)	7 (64%)	3 (27%)	4 (36%)
Senior managers	14 (48%)	14 (50%)	15 (52%)	14 (50%)
All employees (including board)	37 (45%)	37 (44%)	45 (55%)	47 (56%)

Caledonia operates a flatter management structure than is often found in many other companies and, for information, 60% (2025: 60%) of direct reports to members of our Investment Committee are female.

Sustainability continued

In accordance with Listing Rule 6.6.6R (9) of the FCA's Listing Rules, the table below sets out details of the diversity of the individuals serving on the board and executive management as at 31 March 2026. Our executive management consists of members of our Investment Committee, being the most senior level of management. Data was obtained on a voluntary self-reported basis.

The board met the ethnicity diversity target set out in LR 6.6.6R (9) (a) but not the two gender diversity targets. Given the gradual change in board membership, it will take time to meet these targets.

	Number of board members	Percentage of the board	Number of senior positions on the board (CEO, CFO, SID and Chair)	Number in executive management	Percentage of executive management
Men	8	73	4	6	86
Women	3	27	–	1	14
Not specified/prefer not to say	–	–	–	–	–

	Number of board members	Percentage of the board	Number of senior positions on the board (CEO, CFO, SID and Chair)	Number in executive management	Percentage of executive management
White British or other White (including minority-white groups)	10	91	4	7	100
Mixed/Multiple Ethnic Groups	–	–	–	–	–
Asian/Asian British	1	9	–	–	–
Black/African/Caribbean/Black British	–	–	–	–	–
Other ethnic group	–	–	–	–	–
Not specified/prefer not to say	–	–	–	–	–

Working environment

We are committed to maintaining a high-quality working environment that supports the wellbeing, safety and productivity of all colleagues.

Our culture is built on openness, respect and accountability, and we continually review our policies and practices to ensure they remain aligned with our values and with evolving best practice.

Health and safety

The health, safety and welfare of our employees remain a priority. As an office-based organisation with a relatively low risk operational profile, we nonetheless take a rigorous and proactive approach to managing health and safety.

We have comprehensive health and safety policies in place.

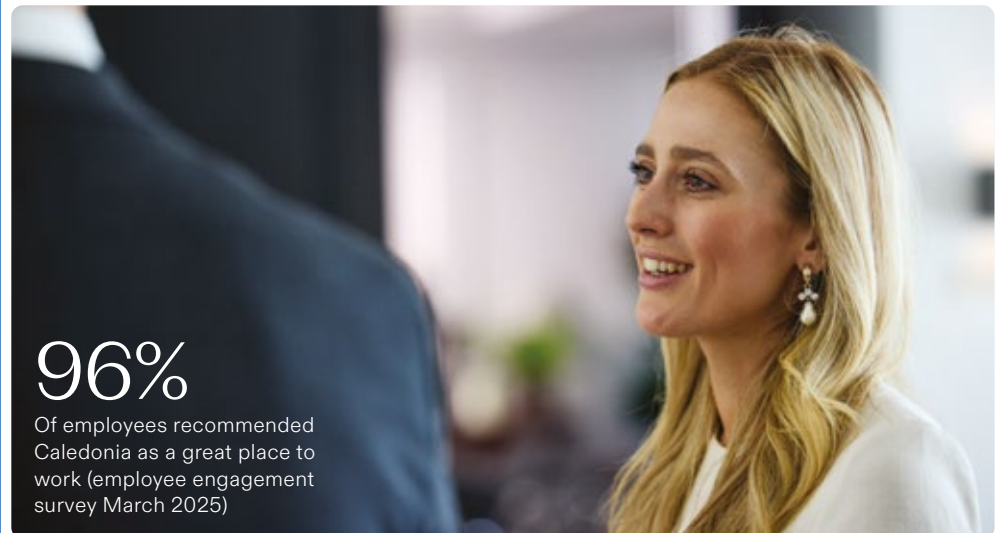
We continue to invest in measures that promote physical and mental wellbeing and provide flexible working arrangements that help colleagues balance work and personal commitments.

For the year ended 31 March 2026, there were no incidents reported under RIDDOR ('Reporting of Injuries, Diseases and Dangerous Occurrences Regulations 2013') and no work-related accidents.

Grievance procedure and whistleblowing

Caledonia's formal grievance procedures are clearly communicated, providing all colleagues with a structured yet flexible framework to raise concerns.

There are established and robust whistleblowing arrangements in place to provide a safe, confidential and impartial channel for reporting any potential misconduct in our business. Employees are able to raise issues independently of their immediate line management, ensuring a culture of transparency and accountability. Responsibility for oversight of our whistleblowing procedure sits with the board.



96%

Of employees recommended Caledonia as a great place to work (employee engagement survey March 2025)

Risk management

A diligent framework woven into our value creation model

Risk management is an integral part of the company's business model and embedded within its business operations. Caledonia's risk management framework seeks to ensure that different parts of the group operate within strategic risk appetite parameters integrated with its governance and decision-making processes.

The board has overall responsibility for setting and monitoring the company's risk appetite.

Risk management reporting

Our employees and our culture provide the foundations for managing risk at Caledonia, where we have a history of effectively, and successfully, navigating risk over the long term.

Our risk framework, supporting processes and reporting evolve under a programme of continuous development to ensure that the key risks facing Caledonia are identified, assessed and managed. Control assurance is delivered through self-assessment, internal risk assessments and external reviews.



“ Risk management is embedded in everything we do, ensuring the business operates within a strategic risk appetite and that our decisions are grounded in strong governance. ”

Rob Memmott
Chief Financial Officer

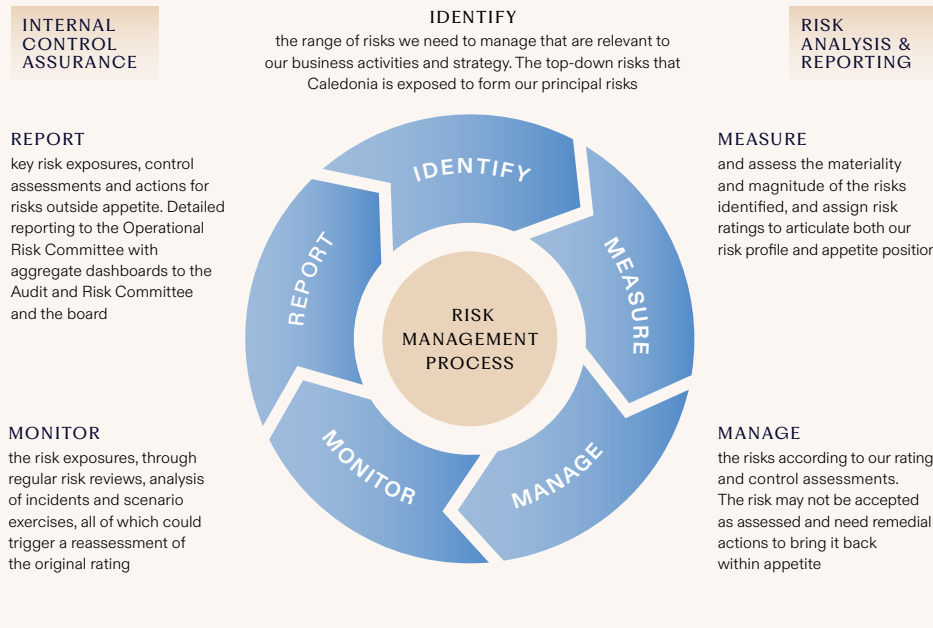
Risk management continued

Risk management framework

The risk framework supports and informs business activity and decisions, managing risk through a set of integrated processes.



THE RISK FRAMEWORK ALIGNS WITH AND SUPPORTS BUSINESS ACTIVITIES



Principal risks

Our principal risks reflect the aggregate view of underlying risk assessments.

The board and Audit and Risk Committee assess these risks during the year, considering any changes or additions in light of the external environment (market, legal or regulatory changes) or following changes to our own business activities that might expose us to additional risks. During the year we have assessed the impact that the accelerated adoption of AI technologies might have on our operations and investment strategy and evolved our controls to manage potential risk exposures. Whilst external developments have heightened our exposure to some risks, no new material current or emerging risks have been identified.

We are monitoring areas of heightened exposure, particularly in respect of market risk where ongoing geopolitical tension is maintaining volatility across global financial markets.

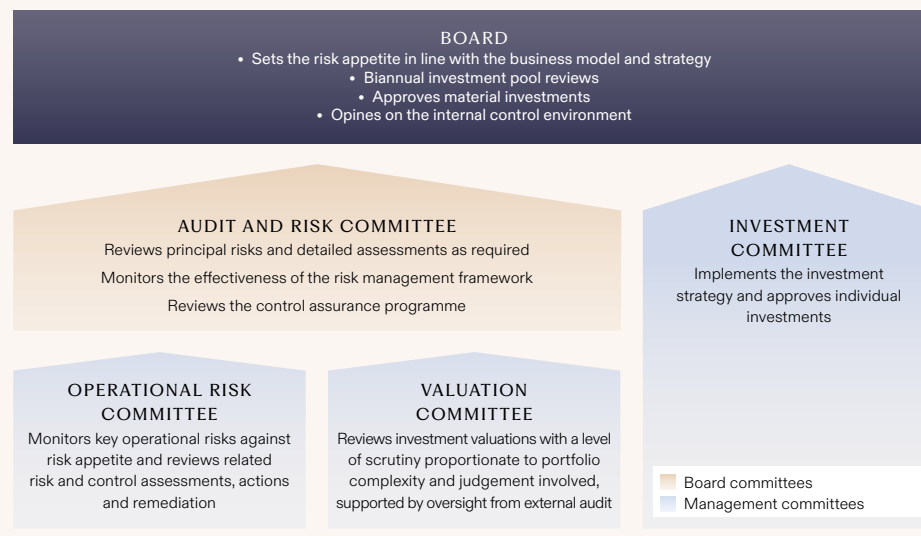
We continue to be faced with an environment of elevated cyber threats, maintaining this as our most material operational risk. Ongoing control reviews in this area, including by external consultants, ensure that our network and system defences remain robust.

We have set out our six principal risks on pages 59 to 60, highlighting developments throughout the year and our assessment of their current rating alongside indicators reflecting current sentiment.

Risk governance, structure and responsibilities

Risk management and its governance is the responsibility of the board, with specific components delegated to the Audit and Risk Committee. The executives are given the task of managing an effective and transparent process to ensure that current and emerging risks are identified, measured, managed, monitored and reported on. The board sets the risk appetite in line with the business model and strategy.

Risk governance, structure and responsibilities



Risk management **continued**

This is communicated through the executive to all those with managerial responsibilities. The illustration on the previous page depicts the risk governance structure in place and the responsibilities of each committee.

Risk reporting

We report on changes and developments across our principal risk exposures. Risk reports are provided at least biannually to the Audit and Risk Committee for review before submission to the board. Any material issues or changes are escalated to the board for further discussion.

The Audit and Risk Committee reviews all key risk types. An investment risk report is submitted to the Audit and Risk Committee biannually, providing analysis of investment portfolio risks arising from our investment strategy. Exposures are measured against defined risk parameters and include asset allocation, performance, investment volatility, diversification and liquidity.

Operational risk reporting is reviewed by the Operational Risk Committee. It receives detailed risk updates from all the business units and monitors Caledonia's exposure to all types of operational risk including legal and regulatory, fraud, key business process failure, people risk and business continuity failure. The Committee closely monitors cyber security exposure, receiving regular updates from the IT Director.

Internal control assurance

To meet the requirements of the 2024 UK Corporate Governance Code regarding internal controls, specifically Provision 29, Caledonia put in place a programme of activity to reconfirm and reassess our material controls.

The board and Audit and Risk Committee have actively engaged with the programme, reviewed and approved the approach taken, and received regular updates throughout the year.

The approach to assessing the effectiveness of controls applies increasing levels of assurance depending on the importance of the control. Material controls are subject to deep dive risk assessments, engaging expert third parties for the areas where internal expertise is limited.

Key controls undergo a formal self-assessment process. Outcomes from the deep dives and self-assessments are reviewed by the Audit and Risk Committee and the board.

Risk appetite statements

Each year the Audit and Risk Committee and board review the risk appetite statements for our principal risks.

The statements reflecting our position at the end of March 2026 are noted in the adjacent panel.

Risk appetite statements

STRATEGIC RISK

The strategy of the business is to invest in equities, across a variety of asset classes, sectors and geographies. The nature of equity investing leads to a balance of risk and reward, leading to a measured risk appetite

INVESTMENT RISK

Individual investment decisions rely on judgement which can result in poor or untimely investments and divestments. To manage this the business operates a comprehensive diligence and review process ensuring investments are made carefully, balancing risk and reward, allowing our experts the time to analyse all aspects before committing capital or divesting. We have a very low appetite for non-compliance with our investment process

MARKET RISK

As investors in equities, the business is automatically exposed to a number of market-driven risks. Whilst our strategy and approach to risk aim to mitigate these risks they cannot fully remove them. The nature of equity investing leads to a balance of risk and reward, leading to a measured risk appetite in this area

LIQUIDITY RISK

Having sufficient liquidity to meet both liabilities as they become due and fund investment opportunities is critical to our strategy and viability. There is no appetite for circumstances that would result in a lack of liquidity

OPERATIONAL RISK

We do not seek to take on operational risk but the key sources of this risk type are inherent within our business processes and operations. A material operational risk failure could harm our business and reputation, as such our overall appetite for any to crystallise is low. In certain critical areas, notably protecting our systems and data from cyber threats and ensuring compliance with applicable laws and regulations, we aim to reduce risk exposure to the lowest achievable level

ESG & CLIMATE CHANGE


We continue to evolve the integration of ESG matters into our investment activity; this reflects a low tolerance for ESG risks that could impact our stakeholders, undermine our long-term sustainability objectives or damage our reputation



Risk management *continued*











LINKS TO STRATEGIC OBJECTIVES

 Outperform inflation

 Outperform the FTSE All-Share

 Pay annual dividends


 Manage investment risk effectively

Principal risks	Mitigation and management	Key developments	Status and movement
A. STRATEGIC   			
<p>Risks in relation to the appropriateness of the business model to deliver long-term growth in capital and income.</p> <p>Strategic risks include the allocation of capital between public and private equity, and in relation to geography, sector, currency, yield and liquidity.</p>	<p>The company's business model and strategy are reviewed periodically, against market conditions and target returns. A capital allocation model including liquidity and scenario analysis is maintained and reviewed by the board biannually.</p> <p>The performance of the company, its key risks and mitigating controls are monitored regularly by management and the board.</p>	<p>All investment pools operated within their strategic banding. A comprehensive capital allocation review, including liquidity forecasting, was completed in November and March.</p> <p>The emergence and adoption of AI technologies could materially change how services are delivered by the companies we invest in. The investment teams have factored AI business model risk into their assessments.</p> <p>Following the shareholder approval of an uncapped Rule 9 waiver, share buybacks have taken place throughout the year which are accretive to NAV per share.</p> <p>Investor relations activity continues to be enhanced. Spotlight sessions for all three pools have now concluded and were well received by all stakeholders. Caledonia's website was comprehensively updated and new channels of communication continue to be developed.</p>	<p>STATUS Medium</p> <p>MOVEMENT No change</p>
B. INVESTMENT    			
<p>Risks in respect of specific investment and realisation decisions. Investment risks include appropriate research and due diligence for new investments and the timely execution of both investments and realisations for optimising value.</p>	<p>Investment opportunities are subject to rigorous appraisal and a multi-stage approval process. Investment managers have well-developed networks through which they attract proprietary deal flow.</p> <p>Opportunities to enter or exit investments are reviewed regularly, being informed by market conditions, pricing and strategic aims.</p>	<p>The Investment Committee met throughout the year to consider investment decisions. Each investment pool applies rigorous assessment criteria for investment decisions and ongoing monitoring.</p> <p>The investment teams continue to review capacity and capability to ensure appropriate skills and resources are in place and promote talent from within.</p>	<p>STATUS Medium</p> <p>MOVEMENT No change</p>
C. MARKET    			
<p>Risk of losses in the value of investments arising from sudden and significant movements in public market prices, particularly in highly volatile markets. Private asset valuations have an element of judgement and could also be impacted by market fluctuations.</p> <p>Caledonia's principal market risks are therefore equity price volatility, foreign exchange rate movements and interest rate volatility.</p>	<p>Market risks and sensitivities are reviewed regularly with actions taken, where appropriate, to balance risk and return.</p> <p>A regular review of market and portfolio volatility is conducted by the board. Reviews also consider investment concentration, currency exposure and portfolio liquidity. Portfolio construction, including use of private assets, provides some mitigation.</p>	<p>Geopolitical tensions, particularly in the Middle East, are contributing to increased market volatility and a more uncertain macroeconomic environment.</p> <p>The Public Companies pool is the most exposed to these conditions given its concentration in listed equities and while performance remained strong throughout the year it has been impacted more recently by market reactions to geopolitical tensions. Developments in AI have introduced additional uncertainty into equity markets, as the implications for business models, cost structures and long-term returns on capital remain unclear.</p> <p>Our long-term, high-conviction investment strategy makes us well positioned to withstand near-term fluctuations and selectively capitalise on opportunities where valuations become more attractive.</p> <p>Current market volatility, if sustained, could drive changes to inflation and interest rates. We remain focused on investing in high-quality companies, with limited use of leverage, that are capable of outlasting short-term volatility.</p> <p>Exchange rate movements, particularly between Sterling and the US dollar, continue to influence reported valuations. Consistent with our long-term investment horizon, we remain comfortable maintaining an unhedged position.</p>	<p>STATUS Medium</p> <p>MOVEMENT Increase</p>

Risk management *continued*









LINKS TO STRATEGIC OBJECTIVES

 Outperform inflation

 Outperform the FTSE All-Share

 Pay annual dividends

 Manage investment risk effectively

Principal risks	Mitigation and management	Key developments	Status and movement
D. LIQUIDITY   			
<p>Risk that liabilities, including private equity fund drawdowns, cannot be met or new investments cannot be made due to a lack of liquidity. Such risk can arise from being unable to sell an investment due to lack of a market, or from not holding cash or being unable to raise debt.</p>	<p>Detailed cash forecasting for the year ahead is updated and reviewed quarterly, including the expected drawdown of capital commitments. A weekly cash update is produced, focused on the short-term cash forecast. Loan facilities are maintained to provide appropriate liquidity headroom.</p> <p>The liquidity of the portfolio is reviewed regularly.</p>	<p>At the end of March 2026 there was £90m cash, in addition to £325m undrawn on the revolving credit facility, which has recently been renewed on the same terms. This facility, in addition to cash, provides a substantial amount of available capital for investment in high-quality opportunities.</p> <p>Stress testing is built into our liquidity management with quarterly reviews conducted throughout the year.</p>	<p>STATUS Low</p> <p>MOVEMENT No change</p>
E. OPERATIONAL  			
<p>Risks arising from inadequate or failed processes, people and systems, or from external factors.</p> <p>Operational risks arise from failures around the recruitment, development and retention of staff, system failures and integrity issues, poor procedures, business disruption and failure to adhere to legal or regulatory requirements. Process failures can impact finance, IT and investment teams.</p>	<p>Systems and control procedures are developed and reviewed regularly, ensuring that defences against cyber threats remain robust and aligned to industry standards. They are tested to ensure effective operation.</p> <p>Appropriate remuneration and other policies are in place to facilitate the retention of key staff.</p> <p>Business continuity plans are maintained and updated as the business evolves and in response to emerging threats. This includes a specific focus on cyber security. Caledonia has internal resources to consider regulatory and tax matters as they arise. Professional advisers are engaged, where necessary, to assist in specialised areas or when new laws and regulations are introduced.</p>	<p>An internal control assessment programme is in progress for all key and material controls. No material issues have been reported with actions in progress to improve control effectiveness.</p> <p>Cyber security remains a material risk exposure. An expert third party was engaged during the year as part of the internal control assessment programme to review Caledonia's IT and security control environment. The review included an evaluation of Caledonia's alignment with the NIST¹ framework which sets out global standards for cyber security, information security and technology. The report raised no significant control issues, consistent with our internal assessments.</p> <p>Caledonia continues to run annual crisis simulation exercises, to stress the control environment, with no material control deficiencies identified.</p>	<p>STATUS Medium</p> <p>MOVEMENT No change</p>
F. ESG & CLIMATE CHANGE   			
<p>Risks in relation to the successful incorporation of ESG matters and climate change impacts into our investment approach.</p> <p>Identifying opportunities to drive our approach to ESG matters, deliver strong returns and manage the risks to meet evolving stakeholder expectations.</p>	<p>Caledonia's ESG knowledge, processes and policies continue to develop as ESG matters are integrated into our investment approach. Each pool reports on ESG & climate change information and developments to the board annually.</p>	<p>The annual assessment of the Private Capital portfolio companies' climate change risks and opportunities was completed with no significant variances since 2025. Positive improvements were seen across the portfolio, with DTM achieving B-Corp certification in the year.</p> <p>Analysis is in progress for the work required to transition from the TCFD framework to revised UK Sustainability Reporting Standards ('UK SRS'). Should disclosures in accordance with UK SRS be required by the UK Listing Rules, this will apply to FY28.</p>	<p>STATUS Medium</p> <p>MOVEMENT No change</p>

1. The National Institute of Standards and Technology.

Going concern and viability

Going concern and viability

The review of going concern and viability was considered and approved by the board, following full scrutiny by the Audit and Risk Committee. This review considered the key risks to the group, their potential financial impact and mitigating actions. A number of scenarios were considered to stress-test the robustness of the group's position to adverse events. These scenarios were applied to a detailed five-year financial plan that was approved by the board in March 2026.

Going concern

The board has undertaken an assessment of the appropriateness of preparing its financial statements on a going concern basis, taking into consideration future cash flows, current cash holdings of £90m, undrawn banking facilities of £325m, expected proceeds on completion from the sale of Stonehage Fleming of c.£290m and readily realisable assets of £952m as part of a wider process in connection with its viability assessment. It has been concluded that the group has sufficient cash, other liquid resources and committed bank facilities to meet existing and new investment commitments.

The directors have concluded that the group has adequate resources to continue in operational existence for a period of at least 12 months from the date of approval of the financial statements. Accordingly, they continue to consider it appropriate to adopt the going concern basis in preparing the financial statements.

Viability statement

The directors have assessed the viability of the group over the period to March 2031 (more than three-years from the date of signing the financial statements), having determined that this is an appropriate period for which to provide this statement given the group's long-term investment objective, the resilience demonstrated by the stress testing and the relatively low working capital requirements of the group.

The viability assessment takes into account the group's position, its investment strategy and the potential impact of the relevant risks set out in this Strategic report. In making this statement, the board is satisfied that the group operates an effective risk management process and confirms that it has conducted a robust assessment of the principal and emerging risks facing the group.

This includes those that would threaten its strategic objectives, its business model, its ability to operate and its future performance, solvency or liquidity. Based on this assessment, the directors have concluded that the group will be able to continue in operation and meet its liabilities as they fall due over the period to March 2031.

In making this assessment, the directors took comfort from the results of two stress tests. These considered the impact of significant market downturn conditions.

The first stress test addressed two discrete scenarios: a 5% reduction in the value of Sterling versus the US dollar compared to the rate on 31 March 2026 and a 12-month delay to Private Capital realisations.

The second stress test examined a severe two-year market downturn scenario. It assumed a 20% fall in income from Public Companies, a complete loss of income from Private Capital, no ability to realise the Private Capital portfolio, a 50% reduction in distributions from the group's Funds portfolio, and all outstanding fund commitments falling due in the period. The directors do not believe this extreme downside scenario is likely but factor this into the viability assessment.

It was concluded that even in a simulated market downturn and all fund commitments falling due, the group has sufficient liquidity on the balance sheet to meet its obligations as they fall due.

Overall, through the stress testing described above, the directors demonstrated the strength of the group's financial position and, in particular, its ability to settle projected liabilities as they fall due, even under extremely adverse circumstances.

The Strategic report was approved by the board on 18 May 2026 and signed on its behalf by:

Mat Masters
Chief Executive Officer
18 May 2026