Aberforth Geared Value & Income Trust plc

Half Yearly Report

31 December 2025

The Company

Aberforth Geared Value & Income Trust plc (the Company or "AGVIT") is a closed ended investment company. It has a fixed life of seven years from launch to 30 June 2031 and its shares are traded on the London Stock Exchange's Main Market. The Company has appointed Aberforth Partners LLP as the investment managers ("the Managers").

Investment Objective

The Company's investment objective is to provide Ordinary Shareholders with high total returns, incorporating an attractive level of income, and to provide ZDP Shareholders with a pre-determined Final Capital Entitlement of 160.58 pence on the Planned Winding Up Date of 30 June 2031.

Investment Policy

The Company aims to achieve its objective by investing in a diversified portfolio of securities issued by small UK quoted companies. Further details of the Investment Policy are available in the Company's Annual Report, which is on the Managers' website www.aberforth.co.uk.

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All data throughout this Half Yearly Report are to, or as at, 31 December 2025 as applicable, unless otherwise stated.

Financial Highlights

Total Return Performance

Period to 31 December 2025	Total Assets[1]	Ordinary Share NAV[1]	Ordinary Share Share Price[1]	ZDP Share NAV[1]	ZDP Share Share Price[1]
Six months	**0.0%**	**-1.5%**	**2.7%**	**3.5%**	**6.5%**
Twelve months	5.0%	4.0%	5.4%	7.0%	8.0%
Since Inception[3] (including launch costs)	2.6%	-0.3%	-12.5%	10.7%	15.0%
Since Launch[3] (excluding launch costs)	4.3%	1.8%	-12.5%	10.7%	15.0%

The ZDP Share NAV total return is on an Articles basis (see Glossary).

Ordinary Share

Capital	Net Asset Value per Share[2]	Share Price	Discount/ (Premium)[1]	ZDP:Equity Gearing Ratio[3]
31 December 2025	**93.8p**	**81.5p**	**13.1%**	**43.9%**
30 June 2025	99.6p	83.5p	16.2%	40.0%
31 December 2024	95.9p	83.0p	13.4%	40.1%

At Inception an Ordinary Share had a NAV of 100p and a ZDP:Equity Gearing Ratio of 37.5%.

Revenue	Revenue Return per Share[2,5]	Ordinary Dividends per Share[2,5]	Special Dividends per Share[2,5]	Retained Revenue Reserves per Share[3]
Six months to 31 December 2025	**3.26p**	**1.56p**	**–**	**2.70p**
Six months to 31 December 2024	3.24p	1.50p	–	1.74p
Year to 30 June 2025	6.85p	5.00p	0.85p	1.00p

Zero Dividend Preference Share (ZDP Share)

	Net Asset Value per Share[2]	Share Price	Discount/ (Premium)[1]	Return per Share[2,5]	Projected Final Cumulative Cover[3,4]	Gross Redemption Yield[3,4]
31 December 2025	**109.9p**	**115.0p**	**(4.6)%**	**3.8p**	**2.0x**	**6.3%**
30 June 2025	106.2p	108.0p	(1.7)%	7.1p	2.0x	6.8%
31 December 2024	102.6p	106.5p	(3.8)%	3.5p	2.0x	6.5%

At Inception a ZDP Share had a NAV of 100p, a Projected Final Cumulative Cover of 2.0x, and a Redemption Yield of 7.0%.

1-5 See footnotes on the following page.

Financial Highlights (continued)

Hurdle Rates[3,4]

	Ordinary Shares Annualised Hurdle Rates to return 100p	Share Price	Zero Value	ZDP Shares Annualised Hurdle Rates to return 160.58p	Zero Value
31 December 2025	**4.3%**	**2.0%**	**-12.5%**	**-12.5%**	**-61.4%**
30 June 2025	3.6%	1.7%	-11.8%	-11.8%	-58.3%
Inception[3]	3.0%	3.0%	-10.3%	-10.3%	-52.9%

Redemption Yields[3,4] as at 31 December 2025 (Ordinary Shares)

Capital Growth (per annum)	Annualised Redemption Yields[3,4] Dividend Growth (per annum)					Terminal NAV[3,4]
	-20.0%	-10.0%	0.0%	+10%	+20.0%	
-20.0%	-42.4%	-34.2%	-25.7%	-17.1%	-8.4%	0.0p
-10.0%	-24.9%	-21.3%	-16.6%	-10.8%	-4.0%	10.3p
0.0%	-0.1%	1.5%	3.7%	6.6%	10.4%	66.5p
+10.0%	15.3%	16.5%	18.0%	20.0%	22.7%	154.7p
+20.0%	28.5%	29.4%	30.6%	32.1%	34.2%	287.7p

Source: Aberforth Partners LLP

[1] Alternative Performance Measure (refer to Glossary on pages 25 and 26).

[2] UK GAAP Measure (refer to Glossary on page 25).

[3] Defined in the Glossary on page 26.

[4] Redemption Yields, Hurdle Rates, Terminal NAVs and Final Cumulative Cover, are projected, illustrative and do not represent profit forecasts. There is no guarantee these returns will be achieved.

[5] The Return per Share and Dividend per Share as at 31 December 2025 and 2024 are in respect of the six months then ended and as at 30 June 2025 in respect of the 12 months then ended.

Chairman's Statement

Introduction

This is the second interim report of Aberforth Geared Value & Income Trust plc (AGVIT). It covers the six months to 31 December 2025.

The period unfolded against a backdrop of strong equity markets around the world. Concerns about a costly trade war abated as markets drew reassurance from a string of agreements reached by the US with its international trading partners. Sentiment was further supported by, perhaps temporary, easing of geopolitical risk, as efforts to resolve the conflicts in Ukraine and Gaza continued. Elsewhere, during the period, optimism surrounding artificial intelligence provided additional momentum to stockmarkets.

While the UK market lacks significant exposure to technology companies, the FTSE All-Share still delivered strong returns, ending 2025 at a record high. This performance was driven by its larger companies, which are less exposed to concerns about UK politics and the outlook for the domestic economy than are its smaller companies. Smaller companies have felt the weight of this despondency more heavily. The returns of AGVIT and of its opportunity base, the Deutsche Numis Smaller Companies Index (excluding investment companies) (DNSCI (XIC)), have lagged the FTSE All-Share. While the stockmarket has neglected the DNSCI (XIC)'s constituents, overseas companies and private equity have not. Momentum in M&A transactions has been sustained with the takeover premiums and exit multiples paid clearly demonstrating the opportunity that AGVIT is targeting in the small cap universe.

Review of Performance

While equity returns have been positive, it has been a frustrating period for the performance of the UK's smaller companies and AGVIT's portfolio. This contrasts with the resilience of the Company's income performance, which is described in more detail below.

Portfolio performance

- AGVIT's Total Asset Total Return, which measures its ungeared portfolio performance, was zero in the six month period ending 31 December 2025.
- For reference, the DNSCI (XIC) delivered a total return of 5.3% in the period. The FTSE All-Share index, which is dominated by the larger UK listed companies, recorded a total return of 13.7%.
- The Managers' Report explains how the investment environment has affected AGVIT's performance and examines the various factors that influenced its return.

NAV and share price performance

- The performance of the Ordinary Shares is affected by the gearing provided by the ZDP Shares. In the six months to 31 December 2025, the portfolio's capital performance was below the hurdle of the rising entitlement of the Zero Dividend Preference Shares (ZDPs). Accordingly, the Ordinary Share NAV Total Return was -1.5% in the six months to 31 December 2025.
- The share price discount of the Ordinary Shares to their net asset value narrowed over the period from 16.2% at 30 June 2025 to 13.1% at 31 December 2025. This influenced the Ordinary Share Price Total Return of 2.7%.
- The ZDP Shares NAV Total Return rose at a rate consistent with the 7.0% annual increase in their entitlement. The ZDP share price was at a 4.6% premium to NAV at 31 December 2025. The projected final cumulative cover of the ZDP Shares was 2.0 times at 31 December 2025 and was unchanged from the start of the reporting period.

Chairman's Statement

Income performance

- The portfolio's capital performance contrasts with a good income experience. Even with all the worries about the performance of the UK economy, the Company's Investment Income from Revenue rose 4.8% in the six months to 31 December 2025. This translates into a Revenue Return per Ordinary Share of 3.26p.
- This was flattered somewhat by the favourable timing of some ordinary dividends and by a special dividend, but underlying income growth from investments was still healthy at 3.0%. This outcome was above the Managers' estimates at the start of the year, which underlines the resilience of AGVIT's investment portfolio and bodes well for capital performance in due course.

First interim dividend

Against the backdrop of higher investment income compared with the corresponding period in the previous year, the Board is pleased to announce a first interim dividend of 1.56p per Ordinary Share. This is 4.0% higher than the previous year's 1.50p. Investors will recall that the Ordinary Shareholders enjoy rights to all income generated by the portfolio.

The first interim dividend will be paid on 9 March 2026 to Ordinary Shareholders on the register at the close of business on 6 February 2026. The ex dividend date is 5 February 2026. The Company operates a Dividend Reinvestment Plan, details of which are available from Aberforth Partners LLP or on its website, www.aberforth.co.uk.

Board Changes

As I indicated in my Annual Report, Jane Tufnell decided not to stand for election as a Director at the Annual General Meeting on 28 October 2025.

Upon conclusion of the Annual General Meeting, June Jessop was appointed as an independent non-executive Director. She has attended Board meetings since October and is chair of the Remuneration & Nomination Committee and a member of the Audit Committee. June has worked in the investment management industry for over 30 years, gaining broad experience in portfolio management, client relationship, business development and general management roles. June is also a non-executive director with AVI Global Trust plc.

The Board also announced that Lesley Jackson became Senior Independent Director on 28 October 2025.

Outlook

The impressive performance of the FTSE All-Share over recent months suggests that the UK's larger companies have overcome the "big picture" issues of macro-economics and politics that seem still to be influencing subdued investor sentiment towards Britain's smaller companies. I take encouragement from the renewed interest in larger companies, since I have observed this filter down into the smaller company world in previous cycles.

Smaller companies are undeniably more exposed to the vagaries of the economic cycle but they also have a record of resilience, which contrasts starkly with the unfairly low valuations currently ascribed to them by the stockmarket. The Managers' Report develops on this anomaly and describes a positive outlook for AGVIT's investee companies through consideration of their strong balance sheets and robust cash generation. These positive attributes come through clearly in the Board's regular discussions with the Managers about individual holdings. Another external validation of the portfolio's fundamental strengths and attractive valuations can be seen in the sustained high level of takeover activity within the small cap space. I expect this is likely to continue so long as the stockmarket shuns the opportunity.

Chairman's Statement

The Company's prospects do not rely on M&A. It owns excellent businesses that are growing their dividends. This has driven the rise in AGVIT's first interim dividend, which we have announced today, and in due course should support the portfolio's capital growth. There is also scope for capital growth embedded in the unusually low valuations of the portfolio's holdings, which should close in on longer term averages over time. For the Ordinary Shares, this progress would be magnified by the gearing from the ZDP Shares. Another structural advantage offered by AGVIT is its fixed life, which addresses the share price's discount to net asset value by giving the opportunity to realise value at close to net asset value on planned winding-up.

The Board and Managers, who have continued to add to their personal shareholdings, therefore believe that AGVIT's portfolio and capital structure can deliver on the investment objective for the benefit of both classes of shareholder over the Company's life.

Finally, my fellow directors and I welcome the views of shareholders and are available should you wish to discuss these with us. My email address is noted below. Once again, thank you for your support.

Angus Gordon Lennox
Chairman
27 January 2026
Angus.GordonLennox@aberforth.co.uk

Managers’ Report

Performance

In the six months to 31 December 2025, AGVIT’s total assets total return was 0.0%. The total assets total return measures the performance of the investment portfolio and is unaffected by AGVIT’s gearing. It is therefore comparable with the 5.3% total return of the investment universe of small UK quoted companies, as measured by the DNSCI (XIC). Larger UK quoted companies performed more strongly, with the FTSE All-Share achieving a return of 13.7% in the six month period.

Investment background

The valuations of small UK quoted companies have faced two challenges over recent months. One is more relevant to those companies that earn their profits within the UK economy, the other to those companies reliant on overseas markets.

- The former group, the domestics, comprises consumer-oriented companies, such as retailers, leisure businesses and media companies. It accounts for around 53% of the revenues of DNSCI (XIC) constituents. These companies were most severely affected by Brexit and by lockdown during the pandemic. They operated resiliently in the face of these challenges but were confronted in 2025 by intensifying concerns about the UK government’s fiscal situation. The Chancellor has struggled to achieve convincing fiscal headroom as she contends with her own fiscal rules, manifesto commitments and the internal politics of the Labour Party. The predicament was encapsulated by the gyrations in gilt yields through 2025 and by the rising cost of government debt here in comparison with the rest of the world: ten year gilt yields started 2025 in line with those in the US but ended the year 31 basis points higher. The UK private sector, already wary after the 2024 Budget, was naturally cautious ahead of the 2025 Budget. It is likely that economic activity suffered as, in a classic Ricardian fashion, households and businesses held back on spending and investment. This was to the disadvantage of the domestically oriented companies.
- The overseas facing companies tend to be industrial businesses and account for the other 47% of the DNSCI (XIC)’s total revenues. They were less affected by the pandemic and their profitability even benefited from the EU referendum as sterling weakened in its aftermath. The disruption of supply chains in the wake of the pandemic, along with the conflicts in Ukraine and Gaza, were unhelpful, but these companies tended to enjoy good trading conditions in recent years. That changed in April 2025 with Donald Trump’s tariff announcements. Their longer lasting effects on global trade and broad economic activity are as yet uncertain, but it is clear that businesses have incurred near term headwinds in the form of higher costs and working capital requirements. Consequently, the valuations of overseas facing companies within the DNSCI (XIC) have also come under pressure.

These twin pressures have hampered the valuation of smaller companies, particularly those whose profits are perceived to be more sensitive to broader economic activity. This has affected AGVIT’s performance since many of the most attractively valued smaller companies today are in the more economically sensitive sectors of the stockmarket. Indeed, the market's near term fears of cyclicality can often be what presents the Managers with investment opportunity as they take a longer term view of a business's underlying qualities and profit potential.

In recent years, gloom about the UK's politics and economics affected sentiment towards the UK stockmarket in general, with the valuations of both small and large companies below their long term averages. That started to change in 2025. The very strong total returns from large companies took their valuations above the long term average, even as smaller companies continued to languish. A common explanation for this performance divergence rests in the different sector profiles of the large and small company universes. Among the stronger performers in the FTSE All-Share in 2025 were the banks, defence, mining, telecoms and life assurance, which are all sectors with a lower representation in the DNSCI (XIC). However, this explanation struggles when the banks are considered further. Most of the banks are heavily reliant on the domestic UK economy. They are literally geared into the health of British businesses and households, the same sort of exposure that many smaller companies have.

Smaller companies are being penalised for their very size and relative illiquidity, rather than for fundamental reasons. This suspicion is backed up by analysis of the dividend characteristics of the DNSCI (XIC) and the FTSE All Share. For the first time since the global financial crisis, the dividend yield of the DNSCI (XIC) is higher than the FTSE All-Share’s. This is despite small companies’ average dividend cover being above that of large companies and despite small companies’ balance sheets being stronger than those of large companies. Moreover, dividend growth of the DNSCI (XIC) has remained superior to that of the FTSE All-Share. Since 2015 – the year before the EU referendum and therefore a fair starting point – small company dividend growth has been 63%, whereas large company dividend growth has been 29%. Since 2019 – the year before the pandemic – small companies have grown their dividends by 23%, whereas large companies have seen their aggregate dividends decline by 6%.

The superior dividend growth from smaller companies is evident in almost all time periods and supports the growing dividends paid by AGVIT. These dividends also benefit from how the Managers invest AGVIT's capital. An important facet of the process is the "value roll", in which capital is rotated from companies with low upside to the Managers' target prices into companies with high upsides. This rotation implies that capital is moved from companies with low dividend yields into those with high dividend yields, a dynamic that enhances the income earned by the portfolio over time.

Influences on performance and portfolio characteristics

In the six months to 31 December 2025, AGVIT's total assets total return was 0.0%. The DNSCI (XIC)'s was 5.3%. The following paragraphs provide context and explanation for the portfolio's performance over the six months, as well as setting out aspects of the portfolio's positioning that are likely to influence future performance.

	31 December 2025		31 December 2024	
Portfolio characteristics	**AGVIT**	**DNSCI (XIC)**	AGVIT	DNSCI (XIC)
Number of companies	**66**	**352**	69	350
Weighted average market capitalisation	**£691m**	**£1,225m**	£659m	£1,019m
Weighting in "smaller small" companies*	**42%**	**17%**	44%	21%
Weighting in companies with net cash***	**47%**	**26%**	31%	30%
Portfolio turnover over 12 months	**27%**	**–**	**	–
Price earnings (PE) ratio (historical)	**10.6x**	**13.8x**	9.6x	13.0x
Dividend yield (historical)	**5.7%**	**3.4%**	5.6%	3.4%
Dividend cover (historical)	**1.6x**	**2.1x**	1.9x	2.2x

*Members of the DNSCI (XIC) that are not also members of the FTSE 250; ** Not available owing to launch date; ***Tracked Universe

Economic cyclicality

As described above, AGVIT's returns have been influenced by concerns about economic activity both domestically and overseas. Many of the most attractively valued companies within the DNSCI (XIC) at present are perceived as sensitive to the economic cycle. The Managers are prepared to look beyond these near term concerns, putting more store in the resilience of business models, records of profit progress from cycle to cycle and strength of balance sheets. Such bouts of concern are not unusual in Aberforth's 35 years. Economic cyclicality has hampered recent performance, but it is the Managers' experience that the stockmarket tends to under-estimate the resilience of smaller companies and thus creates the conditions for a strong recovery in due course.

Value style

The Managers follow a value investment philosophy. They calculate target valuations for existing and potential investments. These are influenced by fundamental analysis of the companies, judgement informed by experience, and reference to other relevant valuations in equity markets or corporate activity. Growth of profits is an important component of target valuations, but the Managers find that stockmarket valuations are often too generous in their assumptions of the sustainability and pace of growth.

To gauge the style effect on AGVIT's performance, the Managers use analysis by the London Business School (LBS). This defines value narrowly in terms of low price to book ratios, rather than in the broader fashion undertaken by the Managers. Therefore, while useful, the LBS approach is an imperfect measure of style effects, particularly over short periods. The LBS analysis suggests that value stocks within the DNSCI (XIC) underperformed the index as a whole in the six months to 31 December 2025 and so style effects would have been negative for AGVIT's performance.

Managers' Report

Size, within the DNSCI (XIC)

The DNSCI (XIC) includes all main listed stocks in the UK with market capitalisations below c.£2.5bn. It therefore has an extensive overlap with the FTSE 250 and includes many mid caps, which the Managers refer to as "larger small" companies. However, AGVIT has a relatively high exposure to the DNSCI (XIC)'s "smaller small" companies, in common with the Managers' other portfolios. This positioning reflects the more attractive valuations available down the market capitalisation scale, which are demonstrated in the Valuations section later in this report. Analysis by LBS shows that the return from "smaller small" companies exceeded that from "larger small" companies in the six months and so AGVIT benefited from its size positioning.

Corporate activity

The pattern is a familiar one of recent years – a lot of takeovers targeting small UK quoted companies, a lot of buy-backs and few IPOs.

On M&A, the recommended takeovers of two companies in the DNSCI (XIC) were announced and completed in the six months to 31 December 2025. On top of those, there were offers outstanding for another ten companies at the period end. Of these twelve deals, the bidders were most often trade buyers, with private equity houses less active. The bidders were overwhelmingly from overseas, attracted by the presently low stockmarket valuations of small UK quoted companies. The average premium of the bid price to the undisturbed share price before announcement of the deal was 41%, which is above the longer term average premium for control of 25-30%. AGVIT had investments in five of the twelve takeover targets. Three of the five deals were announced before 30 June 2025 and so the takeover premiums benefited performance in the previous financial year. M&A was therefore only a modest boost to returns in the six months to 31 December 2025.

Takeovers can be an effective means by which the value in AGVIT's portfolio is realised. However, there is an important caveat. The low valuations of smaller companies mean that takeovers may be proposed on unattractive terms and that investors' interests might be better served by rejecting the takeover approach. The risk is exacerbated by boards and some shareholders yielding too quickly to takeover interest, no doubt succumbing to the gloomy sentiment towards the UK. The Managers attempt to mitigate the risk by engaging with boards to support their independence if the terms of a bid are unattractive or to improve the terms. This engagement is helped by the often significant stakes that AGVIT and Aberforth's other clients hold in investee companies. At 31 December 2025, 11% of AGVIT's portfolio was invested in companies that had attracted takeover interest over the previous 18 months, but where the approaches had not developed into formal bids. In several of these situations, the Managers were consulted by the boards of the target companies and, if the standalone option promised superior returns, supported their independence.

The depressed valuations of small UK quoted companies mean that the IPO market remains subdued. There were just two floatations of a reasonable size and eligible for the DNSCI (XIC) in 2025. The Managers view this dearth of activity as a temporary phenomenon and a function of prevailing valuations. Recent regulatory change, to the listing rules and prospectus regime, are likely to encourage IPOs once the valuation basis of the small UK quoted companies recovers.

While the DNSCI (XIC) has not been refreshed by IPOs, it is experiencing an influx of companies that are choosing to move from AIM to the Main Market. AGVIT does not invest in AIM quoted companies except in limited circumstances. These include when an AIM company makes a public announcement of its intention to move to the Main List. Over the past 18 months, 15 AIM quoted companies announced an intention to relist. Of these, six completed the process in 2025 and were included in the DNSCI (XIC) on its annual rebalancing on 1 January 2026. Of the 15 companies, AGVIT has invested in two. These businesses were subject to the Managers' usual investment process of research and engagement. Their valuations were attractive and consistent with the existing portfolio's.

Income

The UK's economic and political uncertainties contributed to a lacklustre capital performance in the six months to 31 December 2025, but the dividend performance from small UK quoted companies remained resilient. AGVIT's income experience is shown in the following table, which splits the portfolio's 66 holdings into categories determined by the most recent dividend action.

Managers' Report

Nil Payer	Cutter	Unchanged Payer	Increased Payer
6	8	22	30

The drag on AGVIT's income from the 8 cutters was out-weighed by the 30 companies that increased their dividends and by the receipt of one special dividend. This good dividend experience drove an increase in AGVIT's Investment Income over the six months to 31 December 2025, which allowed the Board to increase the first interim dividend by 4.0%.

The average historical dividend yield of AGVIT's holdings at 31 December 2025 was 5.7%, which compares with 3.4% for the DNSCI (XIC). The portfolio's average dividend cover was 1.6x, against 2.1x of the DNSCI (XIC). The dividend cover reflects the impact of macro economic uncertainty on profits, together with the higher dividends as companies looked through the near term uncertainty and took confidence from strong balance sheets. The Managers' forecasts suggest that dividend cover will rise in 2026 and 2027.

Significant stakes

Engagement with the boards of investee companies has always been a crucial component of the Managers' investment process. It is particularly relevant at present in view of the high rate of takeover activity among smaller companies and of the recent regulatory changes to the listing rules and prospectus regime. The latter are intended to make the UK stockmarket a more attractive place to list, but they come at a cost by undermining governance protections for investors in UK listed companies.

The Managers' scope to engage effectively is supported by their ability to take significant stakes of up to 25% in issued share capital across their client base. At 31 December 2025, AGVIT had five holdings in which Aberforth's clients had a stake of more than 20% and 20 holdings in which the stake exceeded 10%. The 20 holdings had a combined portfolio weight of 21%.

Significant stakes bring increased influence but come with a downside in the form of illiquidity – reducing these positions by selling into the stockmarket can be difficult. However, there are compensating factors. First, the increased influence, coupled with patience and support, has contributed to improved investment outcomes – significant stakes have enhanced the performance of the Managers' portfolios over time. Second, illiquidity has been manageable. Exiting significant stakes has been facilitated by M&A or by renewed investor appetite as prospects for the business improve. Third, AGVIT's closed-end structure is ideally suited to holding significant stakes – patient support from investors is often required as boards work to improve business performance. The Managers are confident that their approach to engagement and ability to take significant stakes have enhanced their clients' returns over time and will continue to do so.

Balance sheets

The following table sets out the balance sheet profile of AGVIT's portfolio and of the Managers' Tracked Universe. This subset of the DNSCI (XIC) represents 99% by value of the index as a whole and is made up of the 246 companies that the Managers follow closely.

Weight in companies with:	Net cash	Net debt/ EBITDA < 2x	Net debt/ EBITDA > 2x	Other*
Portfolio 2025	47%	37%	14%	2%
Tracked Universe 2025	26%	43%	24%	7%

*Includes loss-makers and lenders

Balance sheets remain robust both within the portfolio and among small caps in general. Compared with a year ago, the portfolio's exposure to companies with stronger balance sheets has risen: the weighting in companies with net cash and leverage below two times was 82% at the end of 2024 and 84% at the end of 2025. This shift reflects both the cash generation of the investee companies and portfolio activity. The stockmarket's lack of interest in smaller companies means that stronger balance sheets are not being reflected in higher valuations.

Managers' Report

This lack of discernment has brought more companies into the Managers' valuation range and has contributed to the higher exposure to companies with strong balance sheets.

The strength of balance sheets raises the question of how capital should be deployed. This is a frequent topic of engagement for the Managers with the boards of AGVIT's investee companies. The highest priority should be organic investment to maintain the viability of a business and allow it to grow. This is especially pertinent at present since it seems that the economic and political uncertainty has discouraged companies from larger capital expenditure projects. After organic investment, a coherent and appropriate dividend policy is essential, optimally one that allows ordinary dividends to grow in real terms through economic cycles. After that, acquisitions may be considered, but these should be assessed against the benchmark of lower risk special dividends or share buy-backs. Many small companies bought back shares in 2025, including 26 companies within AGVIT's portfolio.

Value roll and portfolio turnover

The main influence on AGVIT's portfolio turnover in any period is usually the stockmarket's appetite for small UK quoted companies. If prices and valuations are rising, the upsides to the Managers' target prices are likely to be narrowing. All else being equal, this would encourage the rotation of AGVIT's capital from companies with lower upsides to those with higher.

Portfolio turnover is defined as the lower of purchases and sales divided by the average portfolio value. Over the 12 months to 31 December 2025, turnover was 27% and was influenced by the period's significant takeover activity.

Valuations

Recent Managers' Reports have described how AGVIT is subject to a triple valuation discount. This referred to AGVIT's portfolio being on lower valuations than small UK quoted companies, which were on lower valuations than UK large companies, which were on lower valuations than world equities. The table below updates the analysis.

Price earnings (PE) ratio:	35 year average	31 December 2023	31 December 2024	31 December 2025
World equities*	16.0x	16.0x	17.0x	18.1x
FTSE All-Share	15.3x	10.3x	14.6x	17.6x
Smaller companies**	13.5x	10.3x	11.9x	12.2x
Aberforth/AGVIT portfolio	12.0x***	7.9x***	9.6x	10.6x

* Source: Bloomberg; Panmure Liberum, ** DNSCI (XIC) to 2013 then Tracked Universe. *** Data for Aberforth's longest standing client

Twelve months on, the triple discount remains in place, and yet there has been movement. The historical PEs of all four groups have risen, but the most significant move over the past twelve months has been among large UK companies. The PE of the FTSE All-Share has jumped from 14.6x to 17.6x and now sits above its long term average of 15.3x. Meanwhile, the PE of smaller companies, and of AGVIT's portfolio in particular, remain below the long term averages. As noted in the opening section of this report, it is unclear at the fundamental level why the valuation gap between small and large companies should have opened up to this degree. In view of the fundamental qualities of smaller companies – stronger balance sheets and higher growth – their lower valuations offer the opportunity of stronger future share price returns.

The following table turns to forward looking valuations. It uses the Managers' favoured valuation metric, EV/EBITA (enterprise value to earnings before interest, tax and amortisation). Ratios are set out for the portfolio, the Tracked Universe and certain subdivisions of the Tracked Universe. The profits underlying the ratios are based on the Managers' forecasts for each company that they track. The bullet points following the table summarise its main messages.

EV/EBITA	2024	2025	2026
AGVIT's portfolio	7.8x	8.0x	7.3x
Tracked Universe (246 stocks)	11.2x	11.1x	9.7x
– 34 growth stocks	19.8x	17.5x	15.5x
– 212 other stocks	10.5x	10.5x	9.1x
– 113 stocks >60% revenue within UK	11.5x	11.2x	10.1x
– 113 stocks >60% revenue overseas	10.8x	10.7x	9.2x
– 110 stocks > £600m market cap	12.0x	11.8x	10.4x
– 136 stocks < £600m market cap	9.0x	9.0x	7.8x

- AGVIT's EV/EBITA ratio is higher for 2025 than for 2024, which implies that profits earned by portfolio companies fell slightly in 2025. This is consistent with the slowdown in activity through the second half of the year as concern about the Budget grew. The decline in the ratio in 2026 compared with 2025 suggests that, based on the Managers' bottom-up estimates, profits will increase again in 2026.
- The average EV/EBITA multiples of the portfolio are lower than those of the Tracked Universe. This has been a consistent feature over the years of portfolio's run by the Managers and is consistent with their value investment style.
- The portfolio's 8.0x EV/EBITA ratio for 2025 is much lower than the average multiple of 14.7x at which takeover offers for DNSCI (XIC) constituents have been made in the past four years.
- Each year, the Managers identify a cohort of growth stocks within the DNSCI (XIC). The 34 growth stocks for 2026 are on much higher multiples than both the portfolio and the rest of the Tracked Universe.
- The "smaller small" companies within the DNSCI (XIC) remain more attractively valued than the "larger smalls". This explains why AGVIT's portfolio has a relatively high exposure to the "smaller smalls".
- For more of the period since the EU referendum, overseas facing companies have enjoyed higher valuations than have their peers that are more reliant on the UK's domestic economy. The gap between the two narrowed in 2025 as sentiment towards the overseas cohort was affected by the tariffs.

Outlook & Conclusion

The tariff announcements in April convulsed stockmarkets. The full effects on global trade and economic activity are still unclear, particularly when the status of some of the tariffs remains subject to legal challenge. What is clear is that companies, both in AGVIT's portfolio and more widely, are incurring extra cost when exporting to the US. This is another factor in the broad theme of deglobalisation, which has developed since the pandemic as geopolitical tensions have intensified. The implication for AGVIT is a more uncertain outlook for its cohort of investee companies that generate their revenues outside the UK.

Despite the tariff shock, equity valuations have recovered well from the April nadir. Returns have been particularly good for the group of companies seen to be benefiting from AI. As 2025 ended, the hopes and valuations for the AI leaders were very high, but some caution is merited. The business models of the US technology giants are no longer capital light since AI development necessitates significant investment in computing power and infrastructure. More broadly, the US economy is becoming increasingly reliant on AI, with growth driven by the investment boom and with buoyant equity prices supporting the wealth effect. Furthermore, it is not clear what the returns on the investment will prove to be or who will emerge the eventual winners of the AI arms race, as the US technology giants compete with each other and with Chinese rivals. In the meantime, the effects of AI on companies more broadly are as yet unclear. Some business models will be challenged and it is important for the Managers to consider where these threats lie. On the other hand, it is also important to consider the productivity gains that AI promises. Despite what the relative valuations might suggest, the upside from AI investment is unlikely to be confined to the companies currently deploying the capital – it is plausible that AGVIT’s portfolio holdings can also benefit.

The more significant near term influence on the fortunes of small UK quoted companies is likely to be the direction of the UK economy. The immediate challenges are the government’s fiscal position and a set of policies that are likely to increase costs and the regulatory burden on the private sector. These problems are well known and have contributed to the gloom surrounding the valuations of small UK quoted companies. However, there are other more positive dynamics at work, which tend to be overlooked at present and which suggest that the often hysterical talk about the UK is overdone.

- The private sector in the UK has deleveraged meaningfully over two decades – the ratio of private non financial debt to GDP is back to the levels last seen in 2000. Financial risk today is therefore reduced and there is the potential to re-leverage in the future. While many companies are choosing to deploy surplus capital on share buy-backs at present, a pick-up in investment would be good for growth of profits and the economy in general.
- The recent Budget, while unhelpfully late in the year, was not as threatening to economic activity as feared. The Chancellor tested her fiscal rules by deferring most tax increases until later in the parliament. This pragmatism gives the economy breathing space, especially as government spending does increase in the near term. One can debate the merits of such policies, but at the margin they bode well for economic activity.
- Inflation in the UK remains stickier than elsewhere but does seem to be on a downward path. This has given the Bank of England scope to reduce interest rates, which again should be supportive of near term economic activity.

So there is good reason to believe that the UK economy may turn out to be better, or at least less bad, than commonly perceived. This would be significant for the valuations of small UK quoted companies, especially the more economically sensitive businesses since so little is expected of them. The revaluation of larger companies in recent months – particularly the banks – shows what is possible when sentiment turns. The opportunity is encapsulated by small companies’ low valuations and high resilience. Self-help, strong balance sheets and free cash generation are supporting dividend growth and share buy-backs as we await improved trading conditions.

The attractiveness of this combination is being recognised by more than the Managers. The elevated rate of M&A activity shows that other companies and private equity, particularly from overseas, understand the value on offer among the constituents of the DNSCI (XIC). At the same time, traditional holders of UK equities, such as insurance companies and larger asset managers, are being replaced on share registers by other sorts of investor. These are typically smaller institutions or individuals, often again from overseas, who share the Managers’ contrarian approach to investment and, amid a broad opportunity set, have identified the value on offer among small UK quoted companies.

The Managers' value investment philosophy, understanding of the investee companies and active engagement are well suited to the current opportunity in small UK quoted companies. Historically, these attributes have contributed to superior returns for other funds run by Aberforth. The Managers are therefore optimistic about the future performance of AGVIT's portfolio, particularly in view of the attractiveness of investee companies' valuations at the present time.

This optimism is further supported by AGVIT’s structural advantages. The gearing from the ZDP Shares can enhance the investment performance of the portfolio. It can also benefit growth in the dividends paid to AGVIT’s Ordinary Shareholders. The underlying resilience of the investee companies suggests that dividends can continue to grow. Finally, the closed-end nature of an investment trust affords the Managers a longer term investment horizon, allowing them to take advantage of concerns about illiquidity, to engage constructively and to support investee companies. The aim here, as always, is the improvement of investment returns for Shareholders.

Aberforth Partners LLP
Managers

27 January 2026

Investment Portfolio

Fifty Largest Investments as at 31 December 2025

No.	Company	Valuation £'000	% of Total Investments	% of Company Held	Business Activity
1	Vesuvius	6,005	4.2	0.6	Metal flow engineering
2	Jupiter Fund Management	5,436	3.8	0.6	Investment manager
3	Smiths News	4,788	3.4	2.6	Newspaper distribution
4	Rathbones Group	4,569	3.2	0.3	Wealth management
5	Quilter	4,434	3.1	0.2	Wealth management
6	Galliford Try Holdings	4,229	2.9	0.8	Building and infrastructure contractor
7	Chesnara	3,919	2.7	0.6	Life insurance
8	ZIGUP	3,788	2.6	0.4	Van rental
9	MONY Group	3,727	2.6	0.4	Price comparison websites
10	Ashmore Group	3,543	2.5	0.3	Investment manager
	Top Ten Investments	**44,438**	**31.0**		
11	FirstGroup	3,531	2.5	0.3	Bus and rail operator
12	Morgan Advanced Materials	3,445	2.4	0.6	Manufacturer of carbon and ceramic materials
13	Bodycote	3,208	2.2	0.3	Engineering - heat treatment
14	Workspace Group	3,030	2.1	0.4	Property - rental to small businesses
15	NCC Group	2,986	2.1	0.7	IT security
16	Sabre Insurance Group	2,934	2.1	0.9	Car insurance
17	C&C Group	2,777	1.9	0.6	Brewer and drinks distributor
18	Wickes Group	2,749	1.9	0.5	Home improvement retailer
19	Conduit Holdings	2,654	1.8	0.4	Bermuda based (re)insurer
20	CMC Markets	2,549	1.8	0.3	Financial derivatives trading platform
	Top Twenty Investments	**74,301**	**51.8**		
21	Wilmington Group	2,546	1.8	1.0	Business information and training
22	Halfords Group	2,526	1.8	0.8	Automotive and cycling products retailer
23	City of London Investment Group	2,344	1.6	1.2	Investment manager
24	Hilton Food Group	2,325	1.6	0.5	Food manufacturer
25	Brooks Macdonald Group	2,315	1.6	0.9	Wealth management
26	Card Factory	2,272	1.6	1.0	Retailing - greetings cards
27	NewRiver REIT	2,225	1.6	0.8	Property - retail
28	Domino's Pizza Group	2,172	1.5	0.3	Pizza franchisor
29	PayPoint	2,157	1.5	0.7	Alternative payment services
30	Hollywood Bowl	2,136	1.4	0.5	Operator of bowling centres
	Top Thirty Investments	**97,319**	**67.8**		

Investment Portfolio

Fifty Largest Investments as at 31 December 2025

No.	Company	Valuation £'000	% of Total Investments	% of Company Held	Business Activity
31	PageGroup	2,132	1.5	0.3	Recruitment
32	S & U	2,115	1.5	0.8	Personal credit provider
33	Kenmare Resources	1,953	1.4	0.9	Miner of titanium minerals
34	Pets at Home Group	1,918	1.3	0.2	Pet food, products and services retailer
35	Eurocell	1,873	1.3	1.5	Manufacturer of UPVC building products
36	DFS Furniture	1,864	1.3	0.5	Furniture retailer
37	Castings	1,864	1.3	1.6	Engineering - automotive castings
38	Sirius Real Estate	1,805	1.3	0.1	Property - industrial and office
39	Picton Property Income	1,801	1.2	0.5	Property - diversified
40	Greggs	1,778	1.2	0.1	Retailing - baked products & sandwiches
	Top Forty Investments	**116,422**	**81.1**		
41	Reach	1,762	1.2	1.0	UK newspaper publisher
42	Forterra	1,697	1.2	0.4	Manufacturer of bricks
43	Serica Energy	1,671	1.1	0.2	Oil and gas exploration and production
44	VP	1,411	1.0	0.7	Equipment rental
45	TT Electronics	1,382	1.0	0.7	Sensors and other electronic components
46	Bloomsbury Publishing	1,372	1.0	0.3	Independent publishing house
47	Crest Nicholson	1,300	0.9	0.4	Housebuilding
48	Breedon Group	1,300	0.9	0.1	Construction materials
49	Topps Tiles	1,285	0.9	1.6	Ceramic tile retailer
50	Speedy Hire	1,248	0.9	1.1	Equipment rental
	Top Fifty Investments	**130,850**	**91.2**		
	Other Investments (16)	12,665	8.8		
	Total Investments	**143,515**	**100.0**		
	Net Liabilities	(42,804)			
	Total Net Assets	**100,711**			

The Company does not own 3% or more of the share capital of any of its investee companies.

Interim Management Report

A review of the half year and the outlook for the Company can be found in the Chairman's Statement and the Managers' Report.

Risks and Uncertainties

The Directors have a process for identifying, evaluating and managing the principal and emerging risks faced by the Company. This process was in operation during the six months to 31 December 2025 and continues in place up to the date of this report. The Company's capital structure is such that the underlying value of assets attributable to the Ordinary Shares is geared by the rising capital entitlements of the ZDP Shares and accordingly the Ordinary Shares should be regarded as carrying above average risk. The Company also has a £2 million overdraft facility, which when utilised increases the level of gearing. Mitigating factors in the Company's risk profile include its relatively simple capital structure, its diversified portfolio of small UK quoted companies, and outsourcing all of its main operational activities to recognised, well established firms.

The principal risks faced by the Company relate to: significant fall in capital performance; market risk factors affecting portfolio management and/or investment performance; political and taxation changes outwith the Company's control; structural conflicts of interest between the objectives of the Ordinary and ZDP Shareholders; significant fall in revenue generation from the portfolio; significant loss of investment management personnel; failure to meet the continuing obligations associated with regulatory risks; and cyber risk. An explanation of these risks and how they are managed can be found in the Strategic Report contained within the 2025 Annual Report. These principal risks and uncertainties continue to apply as disclosed in the 2025 Annual Report and as updated by the Managers' Report in these interim statements.

Going Concern

The Audit Committee has undertaken and documented an assessment of whether it is appropriate for the Company to adopt the going concern basis of accounting. This assessment was for the period of at least 12 months from the date of approval of the financial statements. The Committee reported the results of its assessment to the Board.

The Company's business activities, capital structure, planned life and borrowing facility, together with the factors likely to affect its development and performance, are set out in the 2025 Annual Report. In addition, the 2025 Annual Report includes the Company's objectives, policies and processes for managing its capital, its financial risk, details of its financial instruments and its exposures to credit risk and liquidity risk. The Company's assets comprise mainly readily realisable equity securities, which, if necessary, can be sold to meet any funding requirements, though short-term funding flexibility can typically be achieved through the use of the bank overdraft facility. The Directors are satisfied that the Company has adequate financial resources to enable it to meet its day-to-day working capital requirements and continue to adopt the going concern basis in preparing the financial statements.

Directors' Responsibility Statement

The Directors confirm that, to the best of their knowledge:

(i) the condensed set of financial statements has been prepared in accordance with Financial Reporting Standard 104 "Interim Financial Reporting" and gives a true and fair view of the state of affairs of the Company and of the assets, liabilities, financial position and net return of AGVIT, as at 31 December 2025, as required by DTR 4.2.4R of the Disclosure Guidance and Transparency Rules.

(ii) the Half Yearly Report includes a fair review of information required by:

  (a) DTR 4.2.7R of the Disclosure Guidance and Transparency Rules, being an indication of important events during the six months to 31 December 2025 and their impact on the financial statements together with a description of the principal risks and uncertainties for the remaining six months of the year; and

  (b) DTR 4.2.8R of the Disclosure Guidance and Transparency Rules, being disclosure of related party transactions and changes therein.

(iii) the Half Yearly Report, taken as a whole, is fair, balanced and understandable and provides information necessary for Shareholders to assess the Company's performance, objective and strategy.

On behalf of the Board

Angus Gordon Lennox

Chairman

27 January 2026

Income Statement

(unaudited)

For the six months to 31 December 2025

	Notes	Six months to 31 December 2025 Revenue £'000	Capital £'000	Total £'000	Period 29 March 2024 to 31 December 2024 Revenue £'000	Capital £'000	Total £'000
Realised net gains on sales		–	3,151	3,151	–	1,342	1,342
Movement in fair value		–	(6,428)	(6,428)	–	(6,043)	(6,043)
Net losses on investments		–	(3,277)	(3,277)	–	(4,701)	(4,701)
Investment income		3,859	247	4,106	3,683	–	3,683
Other income		18	–	18	148	–	148
Investment management fee	3	(166)	(387)	(553)	(165)	(386)	(551)
Portfolio transaction costs		–	(106)	(106)	–	(776)[1]	(776)
Other expenses		(209)	–	(209)	(183)	–	(183)
Net return before finance costs and tax		3,502	(3,523)	(21)	3,483	(5,863)	(2,380)
Finance costs:							
Appropriation to ZDP Shares	8	–	(1,517)	(1,517)	–	(1,418)	(1,418)
Interest expense and overdraft fee		(1)	(4)	(5)	(1)	(3)	(4)
Return on ordinary activities before tax		3,501	(5,044)	(1,543)	3,482	(7,284)	(3,802)
Tax on ordinary activities		–	–	–	(6)	–	(6)
Return attributable to equity shareholders		3,501	(5,044)	(1,543)	3,476	(7,284)	(3,808)
Returns per Ordinary Share	5	3.26p	(4.70)p	(1.44)p	3.24p	(6.79)p	(3.55)p

Dividends

On 27 January 2026, the Board declared a first interim dividend for the year ending 30 June 2026 of 1.56p per Ordinary Share (2025 – 1.50p), which will be paid on 9 March 2026.

[1] Portfolio transaction costs in the period to 31 December 2024 includes £602,000 in respect of stamp duty incurred on the transfer of securities to AGVIT on its launch. See the Company's 2025 Annual Report for more information.

Income Statement

(continued)

	Notes	Period 29 March 2024 to 30 June 2025 Revenue £'000	Capital £'000	Total £'000
Realised net gains on sales		–	2,742	2,742
Movement in fair value		–	(3,804)	(3,804)
Net losses on investments		–	(1,062)	(1,062)
Investment income		7,879	–	7,879
Other income		174	–	174
Investment management fee	3	(320)	(746)	(1,066)
Portfolio transaction costs		–	(847)[1]	(847)
Other expenses		(369)	–	(369)
Net return before finance costs and tax		7,364	(2,655)	4,709
Finance costs:				
Appropriation to ZDP Shares	8	–	(2,859)	(2,859)
Interest expense and overdraft fee		(1)	(4)	(5)
Return on ordinary activities before tax		7,363	(5,518)	1,845
Tax on ordinary activities		(6)	–	(6)
Return attributable to Equity Shareholders		7,357	(5,518)	1,839
Returns per Ordinary Share	5	6.85p	(5.14)p	1.71p

[1] Portfolio transaction costs in the period to 30 June 2025 includes £602,000 in respect of stamp duty incurred on the transfer of securities to AGVIT on its launch. See the Company's 2025 Annual Report for more information.

Reconciliation of Movements in Shareholders' Funds

(unaudited)

For the six months to 31 December 2025

	Share capital £'000	Share Premium £'000	Special reserve £'000	Capital reserve £'000	Revenue reserve £'000	Total £'000
Balance as at 30 June 2025	**1,073**	**–**	**105,621**	**(5,518)**	**5,747**	**106,923**
Return on ordinary activities after tax	**–**	**–**	**–**	**(5,044)**	**3,501**	**(1,543)**
Equity dividends paid (Note 4)	**–**	**–**	**–**	**–**	**(4,669)**	**(4,669)**
Balance as at 31 December 2025	**1,073**	**–**	**105,621**	**(10,562)**	**4,579**	**100,711**

For the period 29 March 2024 to 30 June 2025

	Share capital £'000	Share Premium £'000	Special reserve £'000	Capital reserve £'000	Revenue reserve £'000	Total £'000
Balance as at 29 March 2024	–	–	–	–	–	–
Return on ordinary activities after tax	–	–	–	(5,518)	7,357	1,839
Equity dividends paid (Note 4)	–	–	–	–	(1,610)	(1,610)
Issue of Ordinary Shares	1,073	106,258	–	–	–	107,331
Ordinary Share issue costs	–	(592)	–	–	–	(592)
Share Premium cancellation	–	(105,621)	105,621	–	–	–
Cost of Share Premium cancellation	–	(45)	–	–	–	(45)
Issue of Redeemable Shares	50	–	–	–	–	50
Redemption of Redeemable Shares	(50)	–	–	–	–	(50)
Balance as at 30 June 2025	1,073	–	105,621	(5,518)	5,747	106,923

For the period 29 March 2024 to 31 December 2024

	Share capital £'000	Share Premium £'000	Special reserve £'000	Capital reserve £'000	Revenue reserve £'000	Total £'000
Balance as at 29 March 2024	–	–	–	–	–	–
Return on ordinary activities after tax	–	–	–	(7,284)	3,476	(3,808)
Equity dividends paid (Note 4)	–	–	–	–	–	–
Issue of Ordinary Shares	1,073	106,258	–	–	–	107,331
Ordinary Share issue costs	–	(592)	–	–	–	(592)
Share Premium cancellation	–	(105,616)	105,616	–	–	–
Cost of Share Premium cancellation	–	(50)	–	–	–	(50)
Issue of Redeemable Shares	50	–	–	–	–	50
Redemption of Redeemable Shares	(50)	–	–	–	–	(50)
Balance as at 31 December 2024	1,073	–	105,616	(7,284)	3,476	102,881

Balance Sheet

(unaudited)

As at 31 December 2025

	Notes	31 December 2025 £'000	30 June 2025 £'000	31 December 2024 £'000
Fixed assets				
Investments at fair value through profit or loss	6	**143,515**	147,998	143,332
Current assets				
Debtors		**726**	716	550
Cash at bank		**783**	1,049	400
		1,509	1,765	950
Creditors (amounts falling due within one year)				
Other creditors		**(65)**	(109)	(111)
		(65)	(109)	(111)
Net current assets		**1,444**	1,656	839
Total assets less current liabilities		**144,959**	149,654	144,171
Creditors (amounts falling due after more than one year)				
ZDP Shares	8	**(44,248)**	(42,731)	(41,290)
TOTAL NET ASSETS		**100,711**	106,923	102,881
CAPITAL AND RESERVES: EQUITY INTERESTS				
Share Capital				
Ordinary Shares	9	**1,073**	1,073	1,073
Reserves				
Special reserve		**105,621**	105,621	105,616
Capital reserve		**(10,562)**	(5,518)	(7,284)
Revenue reserve		**4,579**	5,747	3,476
TOTAL SHAREHOLDERS' FUNDS		**100,711**	106,923	102,881
Net Asset Value per Ordinary Share	7	**93.83p**	99.62p	95.85p
Net Asset Value per ZDP Share	7	**109.94p**	106.17p	102.59p

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

Angus Gordon Lennox
Chairman

Cash Flow Statement

(unaudited)

For the six months to 31 December 2025

	Six months to 31 December 2025 £'000	29 March 2024 to 31 December 2024 £'000	29 March 2024 to 30 June 2025 £'000
Net cash inflow from operating activities	**3,334**	2,603	5,979
Investing activities			
Purchases of investments	**(19,464)**	(23,426)	(33,742)
Sales of investments	**20,538**	7,363	16,608
Cash inflow/(outflow) from investing activities	**1,074**	(16,063)	(17,134)
Financing activities			
Proceeds from issue of Ordinary Shares	**–**	2,651	2,651
Proceeds from issue of ZDP Shares	**–**	12,182	12,182
Share issue costs paid	**–**	(969)	(969)
Share premium cancellation costs paid	**–**	–	(45)
Equity dividends paid	**(4,669)**	–	(1,610)
Interest and fees paid	**(5)**	(4)	(5)
Cash (outflow)/inflow from financing activities	**(4,674)**	13,860	12,204
Change in cash during the period	**(266)**	400	1,049
Cash at the start of the period	**1,049**	–	–
Cash at the end of the period	**783**	400	1,049

Notes to the Financial Statements

1. Accounting Standards

The financial statements have been prepared on a going concern basis and in accordance with the Financial Reporting Standard 104 and the AIC's Statement of Recommended Practice "Financial Statements of Investment Trust Companies and Venture Capital Trusts". The total column of the Income Statement is the profit and loss account of the Company. All revenue and capital items in the Income Statement are derived from continuing operations. No operations were acquired or discontinued in the period. The accounting policies used for the period ended 30 June 2025 have been applied and are set out in the 2025 Annual Report. The Company was incorporated on 29 March 2024. Its first interim reporting period was from 29 March 2024 to 31 December 2024. The Company's first full reporting period was from 29 March 2024 to 30 June 2025. These are shown in the comparative figures.

2. Alternative Performance Measures

Alternative Performance Measures (APMs) are measures that are not defined under the requirements of FRS 102. The Company believes that APMs, referred to within "Financial Highlights" on page 1, provide Shareholders with important information on the Company. These APMs are also a component of the internal management reporting to the Board. A glossary of the APMs can be found on pages 25 and 26.

3. Investment Management Fee

The Managers, Aberforth Partners LLP, receive an annual management fee, payable quarterly in advance, equal to 0.75% of the Company's Total Assets. The investment management fee is allocated 70% to capital and 30% to revenue.

4. Dividends

	Six months to 31 December 2025 £'000	29 March 2024 to 31 December 2024 £'000	29 March 2024 to 30 June 2025 £'000
Amounts recognised as distributions to equity holders:			
In respect of the period to 30 June 2025:			
First interim dividend of 1.50p (paid on 10 March 2025)	**–**	–	1,610
Second interim dividend of 3.50p (paid on 28 August 2025)	**3,757**	–	–
Special dividend of 0.85p (paid on 28 August 2025)	**912**	–	–
Total	**4,669**	–	1,610

The first interim dividend for the year ending 30 June 2026 of 1.56p (2025: 1.50p) per Ordinary Share will be paid on 9 March 2026 to holders of Ordinary Shares on the register on 6 February 2026. The ex dividend date is 5 February 2026. The first interim dividend has not been recorded in the financial statements as at 31 December 2025.

Deducting the first interim dividend from the Company's revenue reserves at 31 December 2025 leaves revenue reserves of 2.70p per Ordinary Share.

Notes to the Financial Statements

5. Returns per Share

	Six months to 31 December 2025 £'000	29 March 2024 to 31 December 2024 £'000	29 March 2024 to 30 June 2025 £'000
Net return	**£(1,543,000)**	£(3,808,000)	£1,839,000
Weighted average Ordinary Shares in issue	**107,331,000**	107,331,000	107,331,000
Return per Ordinary Share	**(1.44)p**	(3.55)p	1.71p
Appropriation to ZDP Shares	**£1,517,000**	£1,418,000	£2,859,000
Weighted average ZDP Shares in issue	**40,249,000**	40,249,000	40,249,000
Return per ZDP Share	**3.77p**	3.52p	7.10p

6. Investments at Fair Value

In accordance with FRS 102 and FRS 104, fair value measurements have been classified using the fair value hierarchy.

Level 1 – using unadjusted quoted prices for identical instruments in an active market.

Level 2 – using inputs, other than quoted prices included within Level 1, that are directly or indirectly observable based on market data.

Level 3 – using inputs that are unobservable for which market data are unavailable.

All investments are held at fair value through profit or loss. As at the reporting dates all investments are traded on a recognised stock exchange and have been classified as Level 1.

7. Net Asset Value ("NAV") per Share

The Net Assets and the Net Asset Value per Share attributable to the Ordinary Shares and ZDP Shares as at 31 December 2025 are as follows.

	Ordinary Shares	**ZDP Shares**	**Total Assets**
Net assets attributable	£100,711,000	£44,248,000	£144,959,000
Number of Shares	107,331,000	40,249,000	147,580,000
NAV per Share (a)	**93.83p**	**109.94p**	**98.22p**
Dividend reinvestment factor[1] (b)	1.062892	–	1.044065
NAV per Share on a total return basis at 31 December 2025 (c) = (a) x (b)	99.73p	109.94p	102.55p
NAV per Share on a total return basis at 30 June 2025 (d)	101.27p	106.17p	102.58p
Total Return performance (c) ÷ (d) - 1	**-1.5%**	**3.5%**	**0.0%**

[1] Defined in the Glossary on page 26.

Notes to the Financial Statements

8. Zero Dividend Preference Shares

Period ended:	**31 December 2025 £'000**	30 June 2025 £'000	31 December 2024 £'000
Opening balance	**42,731**	–	–
Issue of ZDP Shares	–	40,249	40,249
Capitalisation of issue costs of ZDP Shares	–	(377)	(377)
Issue costs amortised during the period	23	43	22
Capital growth of ZDP Shares	1,494	2,816	1,396
Closing balance	**44,248**	42,731	41,290

9. Share Capital

	31 December 2025 Shares	**31 December 2025 £'000**
Issued		
Ordinary Shares of 1p each	107,331,000	1,073
ZDP Shares of 1p each	40,249,000	402
Total issued and allotted	**147,580,000**	**1,475**

There have been no changes in the issued share capital since the launch of the Company on 1 July 2024. For further information on the launch and issue of shares, refer to the Company's 2025 Annual Report.

10. Related Party Transactions

Under UK accounting standards, the Directors have been identified as related parties and their fees and interests are disclosed in the 2025 Annual Report. During the first six months of the current financial year, there have been no transactions with related parties that have materially affected the financial position or performance of the Company.

11. Further Information

The foregoing do not constitute statutory accounts of the Company (as defined in section 434(4) of the Companies Act 2006). The financial information for the period ended 30 June 2025 has been extracted from the statutory accounts, which have been filed with the Registrar of Companies. The Auditor issued an unqualified opinion on those accounts and did not make any statements under section 498(2) or (3) of the Companies Act 2006. All information shown for the period to 31 December 2025 is unaudited.

Certain statements in this report are forward looking. By their nature, forward looking statements involve a number of risks, uncertainties or assumptions that could cause actual results or events to differ materially from those expressed or implied by those statements. Forward looking statements regarding past trends or activities should not be taken as representation that such trends or activities will continue in the future. Accordingly, undue reliance should not be placed on forward looking statements.

Glossary of UK GAAP Measures

Net Asset Value, also described as Shareholders' Funds, is the value of total assets less all liabilities. The Net Asset Value or NAV per Ordinary Share is calculated by dividing this amount by the total number of Ordinary Shares in issue.

Net Asset Value (ZDP Share) is the value of the entitlement to the ZDP Shareholders. The Net Asset Value or NAV per ZDP Share is calculated by dividing this amount by the total number of ZDP Shares in issue.

Return per Share is the return in the period attributable to the Ordinary Shares or to the ZDP Shares.

Revenue Return per Share is the revenue earned in the period divided by the weighted average number of Ordinary Shares in Issue.

Glossary of Alternative Performance Measures

Total Assets Total Return represents the return of the combined funds of the Ordinary Shareholders and ZDP Shareholders assuming that dividends paid to Ordinary Shareholders were reinvested at the NAV per Ordinary Share at the close of business on the day the Ordinary Shares were quoted ex dividend. Total Assets less current liabilities as at 31 December 2025 was £144,959,000 and the total number of shares in issue (Ordinary Shares plus ZDP Shares) was 147,580,000 producing a Total Assets per Share of 98.22p. Multiplying by the dividend reinvestment factor of 1.044065 results in a Total Assets per Share on a Total Return basis of 102.55p. The Total Assets Total Return for the six months to 31 December 2025 was 0.0%, being the sum of the Total Assets per Share at the end of the period, multiplied by the relevant dividend reinvestment factor divided by the Total Assets per Share calculated on a total return basis at the start of the period, expressed as a percentage (see note 7).

Ordinary Share NAV Total Return represents the theoretical return on the NAV per Ordinary Share, assuming that dividends paid to Shareholders were reinvested at the NAV per Ordinary Share at the close of business on the day the shares were quoted ex dividend. The NAV per Ordinary Share as at 31 December 2025 was 93.83p and the dividend reinvestment factor was 1.062892. The Ordinary Share NAV Total Return for the six months to 31 December 2025 was -1.5%, being the Ordinary Share NAV at the end of the period, multiplied by the relevant dividend reinvestment factor divided by the Ordinary Share NAV calculated on a total return basis at the start of the period, expressed as a percentage (see note 7).

ZDP Share NAV Total Return represents the return on the entitlement value of a ZDP Share. The ZDP Share NAV, on an Accounts basis, at 31 December 2025 was 109.94p. The Accounts basis capitalises the expenses associated with the issue of the ZDP Shares and amortises them over the expected life of the ZDP Shares. The ZDP Share NAV, on an Articles basis, at 31 December 2025 was 110.71p. The ZDP Share NAV Total Return in the six months to 31 December 2025 on an Articles basis was 3.5%, equivalent to six months worth, calculated on a daily basis, of the annual gross redemption yield at issue of 7.0% (see Notes 7 and 8).

Ordinary Share Price Total Return represents the theoretical return to an Ordinary Shareholder, on a closing market price basis, assuming that all dividends received were reinvested, without transaction costs, into the Ordinary Shares of the Company at the close of business on the day the shares were quoted ex dividend. The Ordinary Share price as at 31 December 2025 was 81.5p and the dividend reinvestment factor was 1.073422. The Ordinary Share Price Total Return in the six months to 31 December 2025 was 2.7%, being the Ordinary Share price at the end of the period, multiplied by the relevant dividend reinvestment factor divided by the Ordinary Share price calculated on a total return basis at the start of the period, expressed as a percentage.

Glossary of Alternative performance Measures (continued)

ZDP Share Price Total Return represents the return to a ZDP Shareholder, on a closing market price basis. The ZDP Share price as at 31 December 2025 was 115.0p. The ZDP Share Price Total Return for the six months ended 31 December 2025 was therefore 6.5%, being the ZDP Share price at the end of the period divided by the ZDP Share price at the start of the period.

Discount is the amount by which the stockmarket price per Share is lower than the NAV per Share. The discount is normally expressed as a percentage of the NAV per Share.

Premium is the amount by which the stockmarket price per Share exceeds the NAV per Share. The premium is normally expressed as a percentage of the NAV per Share.

Glossary

Other Glossary Terms

Dividend Reinvestment Factor is used to calculate total return performance by including the effect of dividends from the Company. It is calculated on the assumption that dividends paid by the Company were reinvested into Ordinary Shares of the Company at the NAV per Ordinary Share or the share price, as appropriate, on the day the Ordinary Shares were quoted ex dividend. See note 7.

ZDP:Equity Gearing Ratio is calculated by dividing the asset value attributable to the ZDP Shares by the asset value attributable to the Ordinary Shares.

Hurdle Rate is the rate of capital growth per annum in the Company's investment portfolio to return a stated amount per Share at the planned winding-up date.

Ongoing Charges represents the percentage per annum of investment management fees and other operating expenses to the average published Ordinary Shareholders' NAV over the period.

Portfolio Turnover is calculated by summing the lesser of purchases and sales over the relevant period divided by the average portfolio value for that period.

Projected Final Cumulative Cover is the ratio of the total assets of the Company, as at the calculation date, to the sum of the assets required to pay the final capital entitlement of 160.58p per ZDP Share on the planned winding-up date, future estimated investment management fees charged to capital, and estimated winding-up costs.

Redemption Yield (Ordinary Share) is the annualised rate at which projected future income and capital cash flows (based on assumed future capital/dividend growth rates) are discounted to produce an amount equal to the share price at the date of calculation.

Redemption Yield (ZDP Share) is the annualised rate at which the planned future payment of capital is discounted to produce an amount equal to the share price at the date of calculation.

Retained Revenue Reserves per Share is a cumulative figure of revenue earned but not distributed and is calculated after accounting for dividends from the Company, including those not yet recognised in the financial statements.

Terminal NAV (Ordinary Share) is the projected NAV per Ordinary Share at the planned winding-up date at a stated rate of capital growth in the Company's investment portfolio after taking into account the final capital entitlement of the ZDP Shares, future estimated costs charged to capital, and estimated winding-up costs.

Key Dates

Company Incorporation Date is 29 March 2024.

Inception Date is 28 June 2024. When reporting performance, "since inception" refers to periods since 28 June 2024 and reflects the impact of certain one off costs associated with the launch of the Company.

Launch/Listing Date is 1 July 2024. When reporting performance, "since launch" refers to periods since 1 July 2024 and excludes the one off costs associated with the launch of the Company.

Planned Winding-Up Date is 30 June 2031.

Notes

Notes

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Graeme Bissett
Lesley Jackson
June Jessop

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Security Codes

	Ord Shares	ZDP Shares
SEDOL:	BPJMQ25	BPJMQ36
Bloomberg:	AGVI LN	AGZI LN
GIIN:	DDY70V.99999.SL.826	
LEI:	2138006A8FCYYWSJKE32	