

Frostrow Capital

End of Week Note

12th December 2025



Good afternoon investment trust professionals,

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1. Overview for the week

The major equity markets are all up for the year, it has clearly been positive, but in the investment trust sector I am yet to meet anyone who feels 'happy' about 2025. We are though likely to feel more positive by the end of 2026. Inflation continues to be a concern (albeit it is slowing), the bond market can be volatile and debt levels cause ongoing concern. No doubt though, if inflation is a concern, the equity market is the place to be to make sure your purchasing power is retained over time. This week UK unemployment hit 5.1% in the quarter to end October, up from 5% a month ago. That is the highest level since January 2021. Wage growth is also cooling. UK inflation rose by 3.2% in the 12 months to end November, down from 3.6% in October. Food prices have been rising less quickly of late which is helpful. UK private sector growth accelerated as optimism increased post the UK Budget. The Bank of England cut interest rates by 25bps to 3.75% with signs that inflation is slowing and a deteriorating labour market to consider, but it was a close call with the Committee split 5:4 in favour of the cut. This is the sixth interest rate cut since Labour came to power

At the end of this week, average investment trust discounts stand at 12.5%, having contracted by c40bps. They are 2.8% tighter than at the start of the year – in other words, there has been a benefit to holding trusts, but the opportunity set is still enormous for 2026. With all the weight of M&A, take privates, mergers, share buybacks and tenders, why are discounts to NAV still so wide? Are our investment trust managers as bad as Boaz makes out? Nonsense, of course not, but many professional investors are still selling trusts, regardless as they chase liquidity at any cost. One can take a view if that is sensible to do at this stage or not. Each case may well be different in terms of circumstances as to why one would do this. I though continue to believe that strategy is not the best solution for end clients for 2026.

Yes, we are approaching a decade of it being the right thing to simply sell everything other than hold an S&P 500 ETF for clients. Will that be the right strategy for the next decade? I doubt it. Next year we are likely to see the activism trend ramp up even further. Saba Capital have £280m coming out of Smithson IT and continue to increase their stakes in certain trusts this week (see further below) ready to push their objective, with a number of other managers following on their coat tails. The ongoing disconnect between public and private markets continues also. A number of large private equity houses continue to aggressively invest and seek to 'democratise' private market opportunities for the masses. We are also seeing the joint ventures between larger wealth managers and private wealth groups start to become a trend. Of course, the existing alternative investment trusts trading still at significant discounts allow you to play this theme directly at the coal face now at lower cost. The LTAF sector has literally zero chance of traction in scale with the wider retail market until that trend plays out and those discounts to NAV contract – and contract they will. In the UK, private wealth firms continue to consolidate to the point that only the largest and most liquid listed funds attract their capital. This at a time when the best performing trust in 2025 has a market cap of c£95m, after rallying 146%% (Golden Prospect Precious Metals).

There is no doubt that you do not want to be short of investment trusts at this time, size irrelevant. The investment trust sector is one of the longest-standing and greatest financial sectors we have in the UK, with trusts having the ability to contract and increase in size according to demand. Will this trend of continuing discounts to NAV change? They are starting to contract clearly. Share capital reduction, more activism and engagement, more retail investor interest as well as a better consideration of cost disclosure is rectifying the situation. This is an ongoing massive opportunity for all at a time when there will be a Government-led push for increased retail savings. The investment trust sector should be the first and most relevant beneficiary of this push. No one has been happy in the sector in 2025, but perhaps Saba's Chief Happiness

Officer, 'Max', could help us lead the way in getting there in 2026. Do not wait long to think about this. Now is the time to be long of investment trusts, not short.

This week at Frostrow, CC Japan Income & Growth celebrated its 10-year track record kicking in at the LSE (now placed top in the Japan sector over 3, 5 and 10 years). MIGO Opportunities put out its HY results highlighting the continuing opportunity set in the UK investment trust sector for those who prefer to outsource that to a top-quality manager.

2. Frostrow Professional Events

Augmentum Fintech (AUGM LN, Financials & Financial Innovation, £154.9m mkt capn, 41.9% discount to NAV): Please contact Frostrow for interest in seeing Tim Levene in London and the regions in 2025. The AUGM Capital Markets Day took place on Wednesday 2 July 2025 at Searcy's at The Gherkin, between approx. 8:30am and 1:30pm. The latest Frostrow webinar from our London seminar in May 2025 is available to see on You Tube here.

https://www.youtube.com/watch?v=HsulTfN_o1A

The IMC webinar from 1 July 2025 is available here:

[AUGMENTUM FINTECH PLC - Annual results for the year ended 31 March 2025 on 1 July 2025 | Investor Meet Company](#)

The IMC webinar from 5 December 2025 will be available to see here next week:

<https://www.investormeetcompany.com/company/meetings/interim-results-535>

Aurora UK Alpha (ARR LN, UK All Companies, £298.2m mkt capn, 9.7% discount to NAV): the Phoenix investment team are available for meetings with investors in 2025. The last webinar was recorded on 14 July 2025 and is available to watch here:

<https://www.youtube.com/watch?v=0hl0yNZgRlM>

Kartik Kumar gives his updated thoughts at the time of our London investor seminar in May 2025 here:

<https://www.youtube.com/watch?v=ZZGGM5Aw5sw>

And via UK Investor Magazine also (May 2025):

[Aurora UK Alpha Investment Presentation May 2025 - UK Investor Magazine](#)

There is an opportunity to hear from management for an update at 2pm on 26 January 2026, please register here:

Biotech Growth Trust (BIOG LN, Biotechnology & Healthcare, £247.5m mkt cap, 6.4% discount to NAV): Geoff Hsu, lead manager, gives his thoughts at the AGM on 17 July 2025:

<https://www.youtube.com/watch?v=qHK5hrdFehl&t=16s>

The update webinar which took place with Frostrow on 7 October 2025 is available here:

<https://www.youtube.com/watch?v=5L0wbJrxbwk>

The Edison webinar from early November 2025 is also available here: <https://lnkd.in/gea-wUbH>

CC Japan Income & Growth Trust (CCJI LN, Japan, £297.8m mkt capn, 6.5% discount to NAV): please contact Frostrow Capital in order to arrange a meeting with management in 2025. In addition, we highlight the most up-to-date thoughts from management at the time of our London investor seminar in May 2025 here:

<https://www.youtube.com/watch?v=VcVErs9OUN8>

CCJI management conducted a webinar on 17 June 2025 via Investor Meet Company, recording available here:

https://www.youtube.com/watch?v=7X_p5A3SXT8

CQS Natural Resources Growth & Income (CYN LN, Commodities & Natural Resources, £115.9m mkt capn, 1.0% premium to NAV): please contact Frostrow to arrange a one-on-one meeting with management in 2025. The managers presented on the investment opportunity on 10 June 2025, so please have a look if you were not able to make it:

<https://www.youtube.com/watch?v=wJtWKAesmOI>

The IMC webinar from 2 December 2025 will be available here next week:

<https://www.investormeetcompany.com/company/meetings/investor-update-87>

Custodian Property Income REIT (CREI LN, Property UK Commercial, £374.7m mkt capn, 15.9% discount to NAV): Richard Shepherd-Cross, lead manager, available for meetings in 2025 (physical throughout UK, or zoom, as per preference). Richard also gives his most updated thoughts at the time of the Frostrow London investor event in May 2025 here:

<https://www.youtube.com/watch?v=XOQA7R2yBkk>

The Company is provided a further investment update via Investor Meet Company on 30 October 2025, which you can access here:

<https://www.youtube.com/watch?v=zUOgnWAEsEA>

Ecofin Global Utilities & Infrastructure (EGL LN, Infrastructure Securities, £223.5m mkt capn, 5.5% discount to NAV) : Jean-Hugues de laMaze, lead manager of the Trust presented at a webinar with Frostrow on Wednesday 23 April 2025. The link to the recording is available on the link below:

<https://www.youtube.com/watch?v=LVkYbR67ecE>

Jean-Hugues also presented via IMC on 10 July 2025, with the presentation link below:

<https://www.investormeetcompany.com/companies/ecofin-global-utilities-and-infrastructure-trust-plc>

Frostrow conducted an investor webinar with Jean-Hugues on 5 November 2025, with link below for those who missed it:

<https://www.youtube.com/watch?v=nZDYoUZjy18>

Finsbury Growth & Income Trust (FGT LN, UK Equity Income, £992.8m mkt capn, 5.2% discount to NAV): Nick Train's AGM presentation (January 2025) was recorded and is available to view on the Frostrow You Tube page. Click the link here to see it, it is worth a view:

https://www.youtube.com/watch?v=yE9HV__lwlc

We also highlight our most recent recording of Nick's presentation following our London investor event (May 2025):

<https://www.youtube.com/watch?v=HeiFCPd5zS8>

The IMC webinar from 5 December 2025 will is available here:

<https://www.youtube.com/embed/7j91YsLT3sl?rel=0>

The Board of Finsbury Growth & Income invite shareholders to the AGM on Thursday 15 January at 12pm at Guildhall, City of London EC2V 7HH, see link below to register:

MIGO Opportunities Trust (MIGO LN, Flexible Investment, £66.3m mkt capn, 4.6% discount to NAV): To watch the most recent update which took place on Monday 23 June 2025 with Tom Treanor and Charlotte Cuthbertson, please see below for the link:

<https://www.youtube.com/watch?v=1BT7aH0da04>

Please also see the link below for the latest webinar held with Investor Meet Company:

[MIGO OPPORTUNITIES TRUST PLC - Investor Update Webinar - YouTube](#)

Mobius Investment Trust (MMIT LN, Global Emerging Markets, £160.4m mkt capn, 7.8% discount to NAV): Carlos Hardenberg, lead manager, presented at a webinar from his trip to Taiwan in April 2025. Please see below the link to the recording:

<https://www.youtube.com/watch?v=sMBNxbj6ZD-o>

Carlos also presented via Investor Meet Company on 24 June 2025, see below for the link to the recording:

<https://www.investormeetcompany.com/meetings/investor-presentation-845>

The Investor Meet Company webinar recorded on 17 October 2025 is available on the following link:

<https://www.youtube.com/embed/Fd7sgkz2T-w?rel=0>

Temple Bar Investment Trust (TMPL LN, UK Equity Income, £1,092.0m mkt capn, 1.3% premium to NAV): Ian Lance and Nick Purves presented on the trust at a webinar on 18 March 2025. Please do click on the link below to see the recording as well as the link to 'reflections on current market volatility' or to hear the Chairman, Richard Wyatt, or to see the recent AGM update

<https://www.youtube.com/watch?v=wkaifQndXaQ>

<https://www.templebarinvestments.co.uk/media/insights/reflections-current-market-volatility/>

<https://www.investormeetcompany.com/updates/an-update-from-the-chairman/show>

<https://www.youtube.com/watch?v=AcVspDPT3-c>

The Managers presented an update on 12 June 2025, click here to watch if you were not able to make it:

<https://www.youtube.com/embed/M37EYlh-VCM?rel=o>

Read the quarterly Temple Bar IT newsletter here if your Bar is set high and your portfolio is your Temple:
[Lessons learnt from the first five years - Temple Bar](#)

The webinar held on 24 September 2025 can be found here, with Ian Lance presenting: <https://www.youtube.com/watch?v=04U0gX4KpOU>

Worldwide Healthcare Trust (WWH LN, Biotechnology & Healthcare, £1,457.7m mkt capn, 6.7% discount to NAV): Sven Borho presented at this year's AGM in July 2025, see below for the link to watch:

<https://www.youtube.com/watch?v=x0K6Rxll40c>

An investor webinar for Worldwide Healthcare Trust was held on Tuesday 21 October, which if you missed is available here to view here:

<https://www.youtube.com/watch?v=tcdiOnFPHjl>

In addition, if you did not make the 30-year anniversary event and you would like a copy of the presentation, please contact Frostrow

Frostrow Investor Relations team – Messrs Grant Challis, Neil Winward, Matt Burrows, Nicholas Todd & Max Smith

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Trump is doing his best to re-set the world trade order and in so doing will potentially re-set the investment landscape. Saba Capital have said they are “ready to buy billions more UK investment trusts [and they are] open to taking stakes in trusts that hold illiquid assets [now also]”. Rachel Reeves is promoting LTAFs whilst multiple asset classes via top class managers are already available at discounts to NAV in the investment trust sector. Record ETF issuance continues, with now more active ETFs than passive and record open ended funds converting into ETFs also. Whether there is a “crack” in the bond market or not, the investment trust sector is here offering best in class active management from the world’s top fund managers in a variety of liquid and less liquid asset classes. It continues to represent one third of the FTSE 250 Index and half of the FTSE Small Cap Index. There are highly valuable actively managed listed fund vehicles using the structure appropriately available for savings and investment today, as there have been for the last 150 + years. They act as a strong complement to passive ETF holdings also.

DO NOT BE SHORT OF INVESTMENT TRUSTS

Find us on the web: <https://www.frostrow.com/>

Find us on You Tube: <https://www.youtube.com/channel/UCAptpfmx0HITqvlI68psd7Q>

Check out our November 2025 summary podcast here:

<https://www.investormeetcompany.com/updates/frostrow-talks-trusts-november-2025-podcast/show>

Frostrow Capital, bringing you high quality, differentiated product in a UK listed closed-ended form

3. Further investment themes evident in the investment trust sector this week include:

Discount control

As an example, Tuesday saw a total of 521 LSE market announcements across the board, with 158 in reference to a buyback or tender, 30.3% of total. 10 referred to equity issuance

Redemption / tender update

Vietnam Enterprise Investments Limited (VEIL LN, Country Specialist, £1,199.3m mkt capn, 12.8% discount to NAV): following a shareholder consultation, the Company published a circular in regard to a tender offer for up to 10% of the issued share capital and an intention to conduct two further tender offers, each for up to a further 10% of share capital, to take place within the next 12 months. The Board is seeking shareholder approval for this at the General Meeting to be held on 8 January 2026. The tender price will be at NAV less 3%. "Notwithstanding the Tender Offer and the Subsequent Tender Offers, the Board remains committed to operating an active buyback programme as a means of managing the discount to NAV and to consider future corporate actions, including further returns of capital by way of tender offer, with the intention of targeting a discount to NAV of less than 10 per cent. over the medium term. "

Activism update

Pantheon International (PIN LN, Private Equity, £1,653.1m mkt capn, 26.7% discount to NAV): received a letter from Metage Capital published on the LSE claiming the fund has underperformed its benchmark over a 1, 3, 5 and 10 year period. Metage is recommending the Board sells £0.5bn of secondary private equity fund assets and use the capital to repurchase shares

Impax Environmental Markets (IEM LN, Environmental, £758.8m mkt capn, 6.5% discount to NAV): Saba Capital's holding has increased from 14.3% to 15%, and then to 18.5%

BlackRock Throgmorton Trust (THRG LN, UK Smaller Companies, £461.5m mkt capn, 7.6% discount to NAV): Saba Capital's holding has increased from 16% to 17.3%

Baillie Gifford US Growth Trust (USA LN, North America, £808.8m mkt capn, 6.2% discount to NAV): Saba Capital holding position increased from 28.9% to 29%

Edinburgh Worldwide Investment Trust (EWI LN, Global Smaller Companies, £749.3m mkt capn, 4.8% discount to NAV): confirmed that it received a valid requisition notice from Saba Capital Management LP seeking to remove all 6 independent NED's and appoint 3 US individuals. A circular for the general meeting will be forthcoming and the Board "will strongly urge shareholders to vote against Saba's proposed resolutions." Saba continue to attempt to take control of the Company to further their own commercial interests.

Workspace Group (WKP LN, £740.3m mkt capn): Saba Capital holding increased from 12.1% to 13.2%

Capital allocation update

HarbourVest Global Private Equity Limited (HVPE LN, Private Equity, £2,267.6m mkt capn, 28.3% discount to NAV): announced an asset sale for \$300m comprised of five fund positions focused on buyout investments. Sold at a blended discount to NAV of 6%. "This sale (the "Transaction") will generate substantial liquidity while bringing HVPE's buyout allocation closer to the target level. Proceeds from the Transaction are expected to be received in tranches in March (\$138 million) and December 2026 (\$162 million). Under the Company's established Distribution Pool framework, a total of \$90 million (30%) of the proceeds will be allocated to the Pool as the cash is received."

Results / updates

Gore Street Energy Storage HY results to 30 September 2025 (GSF LN, Renewable Energy Infrastructure, £276.3m mkt capn, 39.3% discount to NAV): NAV TR -10.6%; dividends declared of 2.19pps including a 1.5pps special dividend; weighted average; cash of £50.5m; debt to GAV ratio of 18.3%; "The Board intends to hold another round of formal shareholder engagement toward the end of the current financial year to update on progress against the outlined strategy." "The Board has indicated its intention for dividends to be covered by operational cash flow. In line with this policy, quarterly payments commenced in respect of the September-end quarter 2025, for which the Board has declared a dividend of 0.69 pence per share, fully covered by operational cash flow. Two further ordinary dividends are expected in respect of the current financial year." In addition, "The second tranche of 1.5 pence per share will also be paid out of ITC proceeds." Separately RM Funds have written a public letter in regard to engagement with the fund stating "We expect the Board to set out clear milestones

and deliver tangible change in Q1 2026."

Global Smaller Companies Trust HY results to 31 October 2025 (GSCT LN, Global Smaller Companies, £754.7m mkt capn, 6.6% discount to NAV): NAV TR +15.6% vs benchmark TR +21.6%; share price TR +15.1%; dividend of 0.7pps; Company repurchased 11.4m shares leading to a NAV uplift of 0.3%; gearing 4.5% (30/4/25 5.3%)

MIGO Opportunities Trust HY results to 31 October 2025 (MIGO LN, Flexible Investment, £66.3m mkt capn, 4.6% discount to NAV): NAV TR +16.3% vs SONIA +2% +3.1%; share price TR +16.4%; "Over time, MIGO's portfolio will concentrate and focus on 10 to 15 core holdings from historically around 40 positions. The purpose remains to identify undervalued attractive themes in the investment trust sector trading at a discount, but the aim of a more targeted portfolio is to enable more influential engagement with boards while still taking advantage of the wide discount opportunities in the sector." "The Board has agreed a revised fee structure with AVI, reducing the management fee from 0.65% per annum of MIGO's market capitalisation to 0.35% per annum on the lower of market capitalisation and net asset value ("NAV"). To this, a performance fee has been added, of 15% of NAV total returns in excess of a SONIA+3% hurdle, subject to a high watermark." Fees are capped at 2.5% per annum of the lower of MIGO's market capitalisation and NAV. The Manager will reinvest 25% of any performance fee earned into MIGO shares subject to an aggregate 5% cap on AVI's interest in MIGO shares and a minimum 3 year holding period. OCR falling from 1.7% to 1.5% and "the Board is delighted to report that the FCA has listened to industry concerns and made substantial changes to its proposals for cost disclosure. Under new rules, the ongoing cost figure (OCF) will be highlighted as the key pre-sale retail cost disclosure and will no longer include investment company costs of portfolio companies, gearing costs and the costs of maintaining real assets. By removing a misleading disclosure that has been a barrier to investment trust share purchases, the FCA is providing

better information to investors and making investment companies more attractive to retail investors and funds." (Frostrow client)

JPMorgan India Growth & Income FY results to 30 September 2025 (JIGI LN, India / Indian Subcontinent, £460.4m mkt capn, 7.7% discount to NAV): NAV TR -11.4% vs MSCI India Index £ -13.5%; share price TR -1.8%; "The Company outperformed the benchmark, primarily due to positive stock selection and the favourable effect of capital gains tax credits arising from the market's decline." "Enhanced dividend policy targets annual dividends of at least 4% of prior year-end NAV, paid in four equal instalments." "The Company completed a 30% tender offer, repurchasing 19.7 million shares, and bought back an additional 3.9 million shares during the year". First triennial 100% tender offer due in Q2 2028 plus continuation vote at AGM 2029. "With effect from 1st October 2025 the annual investment management fee is now calculated as 0.65% on the first £300 million of the lower of the Company's market capitalisation or net assets, and 0.55% in excess of £300 million, instead of 0.75% on the first £300 million of market capitalisation and 0.60% in excess of £300 million."

Chenavari Toro Income Fund Limited FY results to 30 September 2025 (TORO LN, Debt – Structured Finance, £194.3m mkt capn, 3.2% discount to NAV): NAV TR +12.5%; share price TR +39.9%; "The discount narrowed to a level not seen for a decade. Having begun the year at -19.53% (30 September 2024), it closed at -1.54% on 30 September 2025, representing a reduction of 17.99 percentage points...We continued to implement our dividend policy of 2.5% per quarter, resulting in a total dividend payment of 6.89 cents per Share over the period. This is equivalent to a 10% dividend yield on the average NAV per Share of 69.26 cents in the FY ending 30 September 2025."

Wind down / asset realization news

Amedeo Air Four Plus Limited HY results to 30 September 2025 (AA4 LN, Leasing, £171.9m mkt capn, 38.4% discount to NAV): "As we are now less than 12 months from the end of the leases of our first two A380 aircraft, the focus of the Company is entirely on maximising returns to our Shareholders through the liquidation of assets." "Emirates's public statements consistently express an intention to keep the A380s flying through the 2030s, in a condition that maintains the airline's reputation for excellence, and commentators have seen recent purchases by the airline as positives...The 777s are different as it appears that the direct replacement, the B777X, will finally start deliveries in 2027. Emirates has already received new Airbus A350-900 aircraft. What this means for relatively new aircraft like our 777-300s remains to be seen".

Aquila European Renewables (AERS LN, Renewable Energy Infrastructure, £136.5m mkt capn, 38.9% discount to NAV): "The Board continues to progress the divestment of the remainder of the Company's portfolio in accordance with the Company's managed wind-down investment policy." "An initial Return of Capital is expected to be made by the Company by late January 2026. The Company expects the initial Return of Capital to be no less than €33.9 million, representing the majority of proceeds received from the disposals in 2025, excluding an appropriate cash buffer to ensure the Company can continue to meet its liabilities and commitments". The Company is using a B share scheme for to return capital, issuing B shares pro rata to shareholders' holding and cancelling. The Company is seeking shareholder approval for this at a General Meeting on 8 January 2026. The Company is also seeking to cancel its Euronext Growth listing

RM Infrastructure Income (RMII LN, Debt – Direct Lending, £49.3m mkt capn, 18.9% discount to NAV): Company tendered its full holding of £5m nominal in the Voyage Care BondCo Plc 5.875% senior secured notes at par. The next tender offer is expected in Q1 2026. "...since the wind down vote in

December 2023, RM Funds, the Investment Manager, has managed to recover circa 57% of the November 2023 NAV, ahead of target."

Abrdn Diversified Income & Growth (ADIG LN, Flexible Investment, £82.5m mkt capn, 29.6% discount to NAV): the Company has now completed the sale and transfer of an additional four fund interests for £3.5m. "The Board currently expects the Company will complete a number of further secondary sales of the remaining Fund Interests in the coming month...In the light of the progress with the Secondary Sales Process, the Board remains on track to put forward proposals in Q1 2026 to place the Company into members' voluntary liquidation." The Company's next NAV announcement will be calculated as at 30 November 2025 and will be published following the Company's interim report for the six-month period ended 30 September 202

Chrysalis Investments Limited (CHRY LN, Growth Capital, £550.8m mkt capn, 35.3% discount to NAV): NAV TR +21.5%, with growth primarily driven by Starling, reflecting the strong performance of its core UK banking operations. "The share buyback delivered an accretion of around 9 pence per share, contributing approximately 7 percentage points to the rise in NAV per share." Share price TR +29.9%; "In line with the Company's commitment to refrain from new investments ahead of the 2026 AGM, portfolio activity during the year was focused on unlocking value from existing holdings and supporting the remaining portfolio". £166m of net liquidity, of which £48m is cash. In addition, post shareholder consultation with circa 60% of the share register, many want to see the fund "continue to be structured and managed on a basis which affords appropriate scope for these assets to achieve their full potential over time. However, it is clear that a similar proportion of shareholders consulted would like the Company to seek an orderly exit from the underlying investments in a shorter timeframe." The Board is working towards proposing an amended investment policy which will incorporate an orderly realisation with a view to maximising value over a three-year period. Circular to follow in January 2026

Starwood European Real Estate Finance Limited (SWEF LN, Property – Debt, £49.9m mkt capn, 5.2% discount to NAV): the Company has compulsorily redeemed c31m shares at 96.974pps as per the tenth capital distribution. 23.2m shares remain in issue. Separately, the Dublin loan has been restructured such that Blackstone will acquire the loan for Eur4.8m (carrying value)

Gearing news

Macau Property Opportunities Fund (MPO LN, Property – Rest of World, £4.1m mkt capn, 85.2% discount to NAV): the Company has not completed the payments of the loan instalments due on its Penha Heights banking facilities and is expected to be in default. "The Company remains in active discussions with its lenders and will make a further update when there is additional clarity on the likely action that may be taken, in respect of the Penha Heights facilities...Due to prevailing market conditions, there is no certainty that, in the case of lender enforcement, Penha Heights could be sold for an amount equal to or above the outstanding loan amount secured against it which could result in the Group not being able to satisfy the loans secured against Penha Heights nor being able to distribute any returns to Shareholders in respect of that property. Due to the parent company guarantees under the Penha Heights banking facilities and cross-default provisions in the Group's financing documents, there is also a risk that the Group could become obligated to dispose of its other outstanding properties on an expedited and/or depressed basis, and could lead to the need for restructuring, liquidation or insolvency proceedings and Shareholders losing all or part of their investment." Following completion of a sale though, the LTV has reduced below the 60% covenant

Unite Group (UTG LN, £2,680m mkt capn) was reaffirmed BBB+ by ratings agency S&P with a “Stable” outlook

Acquisition / Disposal / portfolio news

JZ Capital Partners (JZCP LN, Private Equity, £114.6m mkt capn, 37.7% discount to NAV): TierPoint has been sold for \$6.2m

Schroder European Real Estate Investment Trust (SERE LN, Property – Europe, £80.2m mkt capn, 41.4% discount to NAV): "the Company has now received formal notice from its tenant, Koninklijke KPN N.V. ("KPN"), of its decision to terminate its lease. KPN currently occupies a mixed-use office and data centre property in the Netherlands, representing approximately 19% of the Company's portfolio income and 6% of portfolio value as at 30 September 2025. The lease termination will take effect from 31 December 2026." Mitigation strategies are in operation however, "...KPN's departure is expected to negatively impact the Company's future income profile. In the event the Investment Manager is unable to fully offset the loss of income from the Apeldoorn asset, the level of future dividends or earnings cover will be impacted."

Oakley Capital Investments (OCI LN, Private Equity, £936.8m mkt capn, 23.7% discount to NAV): investing c£13m in James Perse, a global luxury clothing and lifestyle brand

Nippon Active Value Fund (NAVF LN, Japanese Smaller Companies, £406.2m mkt capn, 3.7% discount to NAV): tendering shares in Hogy Medical, 13% of NAV (valued at £55.2m) for £62.4m. Hogy Medical is delisting from the Tokyo Stock Exchange and 20% of the economic interest will be used to reinvest. NAVF is allowed to invest up to 10% in unlisted investments and this reinvestment will be well within that limit

Oakley Capital Investments Limited (OCI LN, Private Equity, £936.8m mkt capn, 23.7% discount to NAV): Time Out, representing 2% of NAV, is undertaking an equity placing of £8m and a £5m debt to equity conversion. The placing is taking place at 8pps, a 30.4% discount to price with the proceeds to be utilised to fund near-term working capital shortages, to provide growth capital for a potential new London market and to accelerate technology investments. OCI will participate up to £3m

Pershing Square Holdings (PSH LN, North America, £8,707.3m mkt capn, 22.4% discount to NAV): announced that it has entered into an equity commitment letter to subscribe for up to \$1bn of non-voting exchangeable perpetual preferred stock to be issued by Howard Hughes Holdings Inc in connection with HHH's agreement to indirectly acquire Vantage Group Holdings Ltd

Seraphim Space Investment Trust (SSIT LN, Growth Capital, £225.8m mkt capn, 20.4% discount to NAV): ICEYE, the largest holding, has secured a major contract valued at Eur1.7bn through its joint venture with Rheinmetall, the German defence and automotive technology group, to deliver space-based reconnaissance capabilities for the German Armed Forces. The contract is expected to run from late 2025 for five years, with options for extension, and represents a significant milestone for ICEYE as it expands its leadership in sovereign space intelligence. The 30 September 2025 valuation of ICEYE was Eur2.4bn (34.7% of NAV) and " In view of this significant commercial development, it is now anticipated that the valuation of ICEYE as at 31 December 2025 will revert to the comparable multiples methodology."

SpaceX news

Upwards valuation for those investment companies holding SpaceX including Baillie Gifford US Growth Trust (USA LN, North America, £808.8m mkt capn, 6.2% discount to NAV), Schiehallion Fund Limited (MNTN LN, Growth Capital, £1,1349.9m mkt capn, 22.4% discount to NAV), Scottish Mortgage (SMT LN, Global, £12,760.4m mkt capn, 9.5% discount to NAV), Edinburgh Worldwide Investment Trust (EWI LN, Global Smaller Companies, £749.3m mkt capn, 4.8% discount to NAV)

Listing news

Aquila Energy Efficiency Trust (AEET LN, Renewable Energy Infrastructure, £20.4m mkt capn, 45.8% discount to NAV): removing the Euro quote from the LSE given its low liquidity

4. Sector data this week (AIC data, as at Thursday's close)

Sector Name	Simple average discount	Highest Discount	Highest discount name	Narrowest (discount) / premium	Narrowest discount name	Simple average discount last week	Narrowed / (Widened)
Asia	-7.04%	-9.51%	Pacific Assets Trust	-0.38%	Schroder Asia Total Return	-6.99%	-0.05%
Biotechnology & Healthcare	-11.33%	-44.05%	Syncona Limited	1.23%	Polar Capital Global Healthcare	-11.85%	0.52%
Commodities	-15.81%	-37.66%	Baker Steel Resources Trust	0.98%	CQS Natural Resources G&I	-16.56%	0.75%
Flexible	-19.45%	-57.53%	Tetragon Financial	4.41%	CT Global Managed Portfolio Income	-19.60%	0.15%
Global Emerging Markets*	-7.18%	-13.12%	Baring EMEA Emerging Opps	2.16%	Ashoka Whiteoak Emerging	-7.73%	0.55%
Global Equity	-7.57%	-21.91%	Lindsell Train IT	-1.33%	Mid Wynd Investment Trust	-7.44%	-0.13%
India	-6.25%	-9.01%	abrdrn New India IT	-0.10%	Ashoka India Equity	-6.64%	0.39%
Infrastructure	-26.80%	-82.75%	DGI9 Infrastructure	-6.99%	3i Infrastructure	-27.05%	0.25%
Japan	-7.56%	-8.95%	Baillie Gifford Japan Trust	-6.46%	CC Japan Income & Growth	-8.30%	0.74%
Japan Smaller	-4.88%	-8.81%	Baillie Gifford Shin Nippon	-2.09%	AVI Japan Opportunity Trust	-6.15%	1.27%
North America	-13.39%	-39.77%	Canadian General	-1.66%	BlackRock American Income	-14.25%	0.86%
Private Equity	-23.45%	-56.19%	Symphony Holdings	15.29%	3i Group	-24.87%	1.42%
Renewables	-40.54%	-59.17%	HydrogenOne	-30.13%	Greencoat UK Wind	-40.84%	0.30%
UK All Companies	-7.55%	-10.06%	Mercantile Investment Trust	-1.10%	Fidelity Special Values	-7.29%	-0.26%
UK Commercial Property	-24.50%	-50.99%	Regional REIT	1.16%	AEW UK REIT	-25.61%	1.11%
UK Equity Income	-4.16%	-11.79%	BlackRock Income & Growth	2.47%	City of London Investment Trust	-4.23%	0.07%
UK Smaller	-14.80%	-47.43%	Marwyn Value Investors	0.77%	Rockwood Strategic	-14.56%	-0.24%
* excludes JPMorgan EEMEA from figures							

Equity Capital Markets / Investor demand

n/a

Ex Dividend

DIVI 1.05pps, PEMB 3.5pps, IAD 3.95pps, NVT 1.6pps, NTV 1.7pps, NTN 2pps, PCA 3.75pps, JEDT 3pps, STS 2.1pps, BEMO 13.5pps, VTA 14.5cps, SEIT 1.59pps, MRC 1.55pps, TEM 2pps, LWDB 8.375pps

And ex divs between Christmas and our next note on 9 January 2026:

VIP 3.6pps, OOA 2.5pps, SDP 13pps, LWI 1.7pps, NAIT 2.8pps, SCF 3.25pps, GSF 0.7pps, IBT 15.64pps, GSCT 0.7pps, FCIT 3.8pps, SHRS 3.45pps, CTPE 7.01pps, SJG 2.93pps, MYI 2.6pps, UAV 3.5pps, BRFI 6.35cps

Wishing you all, whether you invest in investment trusts or not, an amazing Christmas and New Year break.

Do not be short of investment trusts for 2026.

We will be back next on Friday 9 January.

Neil

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