

A black and white photograph of two mountain goats standing on a dark, craggy rock face. The goat on the left is standing upright, facing slightly towards the camera, while the goat on the right is in a more crouched position, looking towards the left. The background is a dark, textured rock wall with visible horizontal and vertical fissures.

CG Asset Management

Capital Gearing Trust – Half Year Results

November 2025

cgam

Disclaimer

CG Asset Management Limited ("CGAM") is authorised and regulated by the Financial Conduct Authority to carry on regulated activities in the United Kingdom.

The information contained in this Document has been prepared by and is the sole copyright of CGAM.

No representation is being made that the Fund or any other fund or account will or are likely to achieve profits or losses similar to those shown and, as with any investment, there is a possibility of profit as well as the risk of loss. Past performance is not indicative of future results.

The information contained in this Document is not investment, tax, accounting or legal advice and does not take into consideration the investment objectives, financial situation or particular needs of the recipient. Investing entails certain risks, including the possible loss of the entire principal amount invested. The recipient of this Document should seek its own financial, tax, accounting and legal advice in connection with any proposed investment.

No representation or warranty is made or given by CGAM or any of its members, officers, employees or affiliates as to the accuracy, completeness or fairness of the information contained in this Document. No responsibility or liability is accepted for any such information. The information in this Document has not been independently verified and is subject at all times to the conditions, caveats and limitations described in this Document. All opinions, projections and estimates constitute the judgment of CGAM as of the date of this Document and are subject to change without notice. The delivery of this Document at any time subsequent to the date of this Document will not under any circumstances create an implication that the information contained herein is correct as of any time subsequent to such date. No reliance may be placed for any purpose whatsoever on the information contained in this Document or on its completeness. Any risk guidelines referred to herein are internal risk guidelines and are subject to change by CGAM without notice to investors.

This Document is not intended to be distributed in any jurisdiction where such distribution is not permitted by the local law. Without prejudice to the generality of the foregoing, this document is not intended, and should not be construed as, marketing of any alternative investment fund for the purposes of any legislation implementing EU Directive 2011/61/EU on Alternative Investment Fund Managers in any member state of the EEA.

The information contained in this Document has not been approved by the UK Financial Conduct Authority or any other regulatory authority, nor has any regulatory authority passed upon the accuracy or adequacy of this Document.

Overview

Funds Summary

Strategy	Fund	ISIN	Launched	AUM ⁶	Dealing Frequency ²	AMC Fee	TER
Absolute Return Long only investments in a portfolio of bonds, equities and commodities	Capital Gearing Trust	GB0001738615	1982 ¹	£822m	Listed	0.41% ³	0.55%
	CG Absolute Return (EUR Hedged, USD Hedged available)	IE00BYQ69B30	2016	£652m	Daily	0.35%	0.47%
	Capital Gearing Portfolio (P,V shares)	IE00BG5Q6F12	2001	£219m	Daily	0.75%	0.87%
Real Return Long only investments in inflation-linked bonds	CG Real Return Fund (GBP Hedged available)	IE0034304117	2004	£218m	Daily	0.30% / 0.20% ⁴	0.41%
	CG Dollar Fund (GBP Hedged, EUR Hedged and USD Unhedged available)	IE00B41GP767	2009	£430m	Daily	0.25% / 0.15% ⁵	0.37%
	CG UK Index-Linked Bond Fund	IE000ZSVG218	2023	£23m	Daily	0.15%	0.31%

¹ Peter Spiller began managing Capital Gearing Trust in 1982; ² Capital Gearing Trust is an Investment Trust listed on the London Stock Exchange, all other funds are Open Ended UCITS domiciled in Dublin; ³ Tiered fee structure, marginal rate is 0.3% above £500m; ⁴ 0.3% below £500m, 0.2% above; ⁵ 0.25% below £1bn, 0.15% above; ⁶ As of 31st October 2025

Interim Results 2025: Key Highlights



NAV Total Return: +3.4%
(CPI Return: 2.1%)



Share Price Total Return: +4.3%



Our Discount Control Policy ("DCP") has kept our shares trading close to NAV



A majority of the returns came from the Risk Asset portfolio, with equities rebounding strongly after the tariff-induced weakness in April.



Karl Sternberg has been appointed as CGT's new Chair, and has reaffirmed the Board's commitment to the Trust's capital preservation mandate



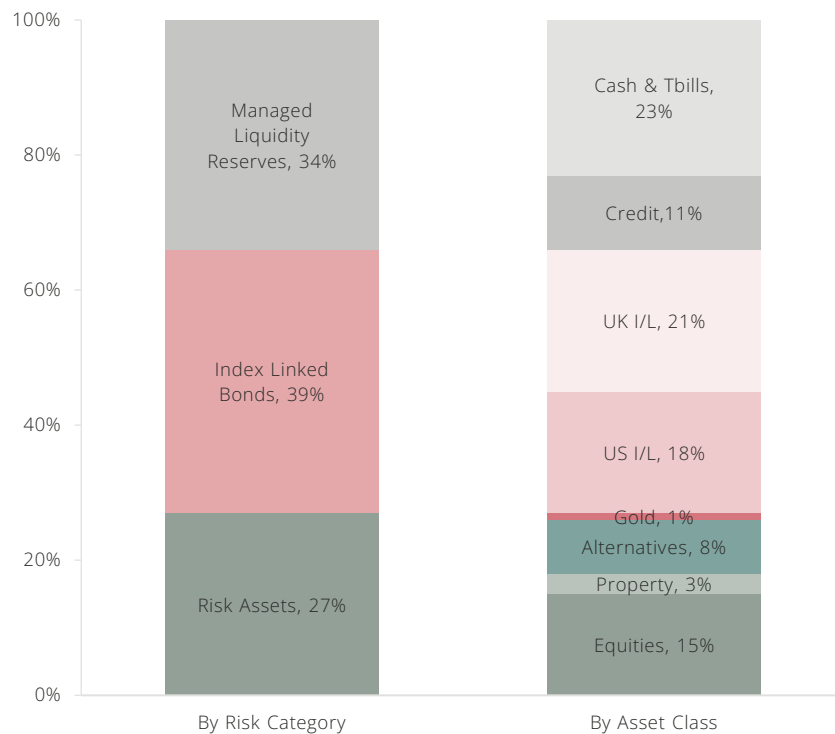
CGT remains defensively positioned, with significant allocations to its managed liquidity reserve and index-linked bonds, and a cautious stance toward risk assets.

Positioning and Returns

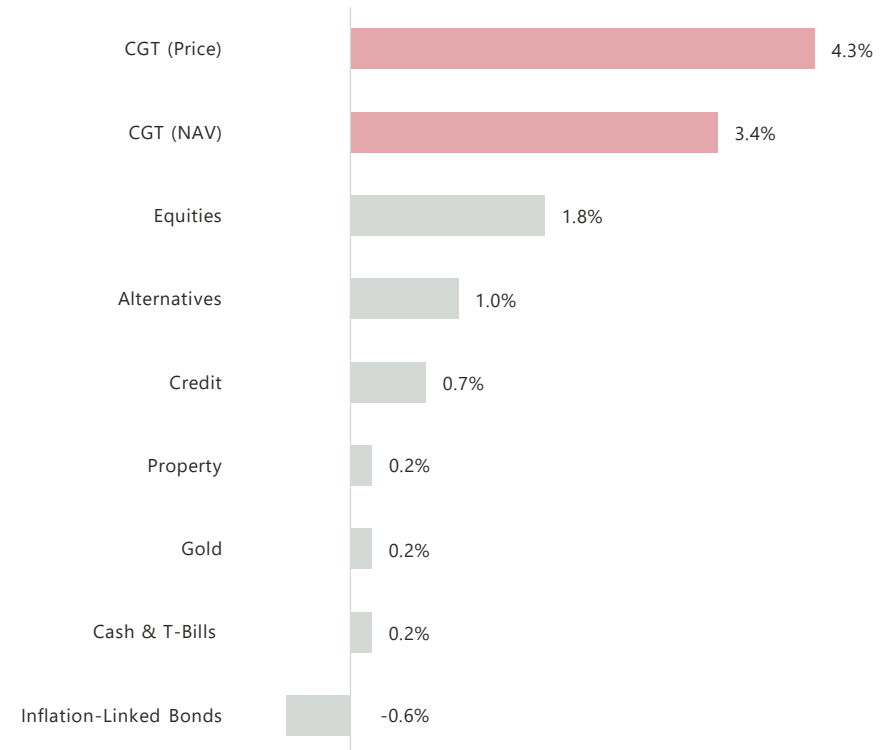


Positioning is defensive, with a focus on inflation protection

CGT Asset Allocation September 2025



Contribution by Asset Class HY to 30 September 2025

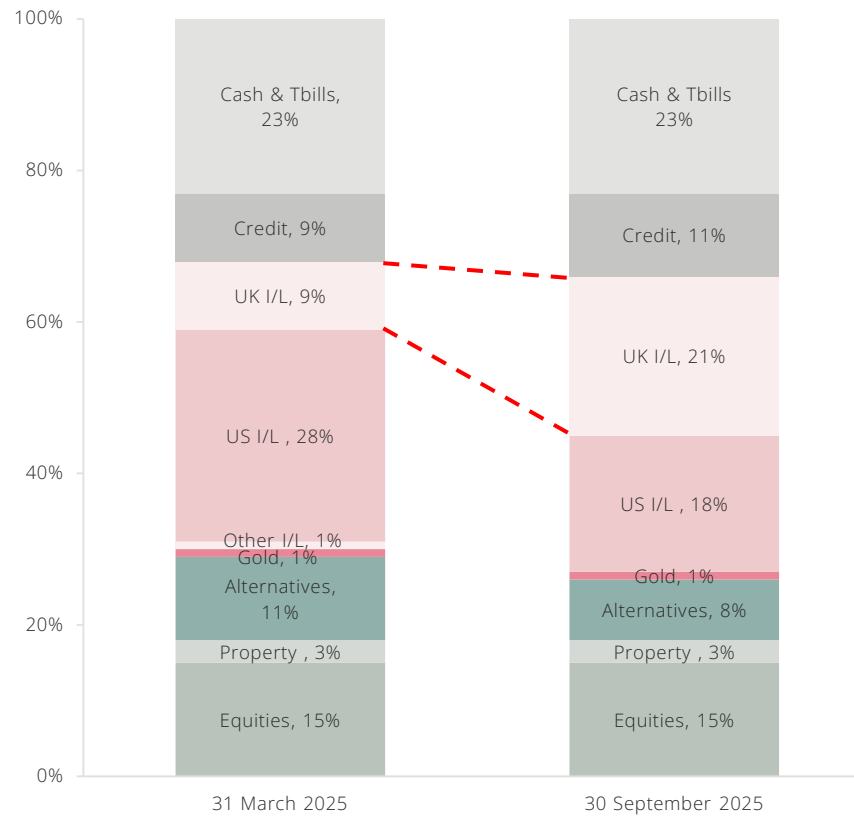


NAV performance net of fees

Source: CGAM, Bloomberg Finance L.P., Northern Trust

Over the quarter we increased allocation to inflation-linked gilts

Changes to CGT's Asset Allocation over the period



NAV performance net of fees

Source: CGAM, Bloomberg Finance L.P., Northern Trust

Both equity and bond portfolios have contributed to outperformance

CGT Risk Assets Returns Performance to September 2025¹



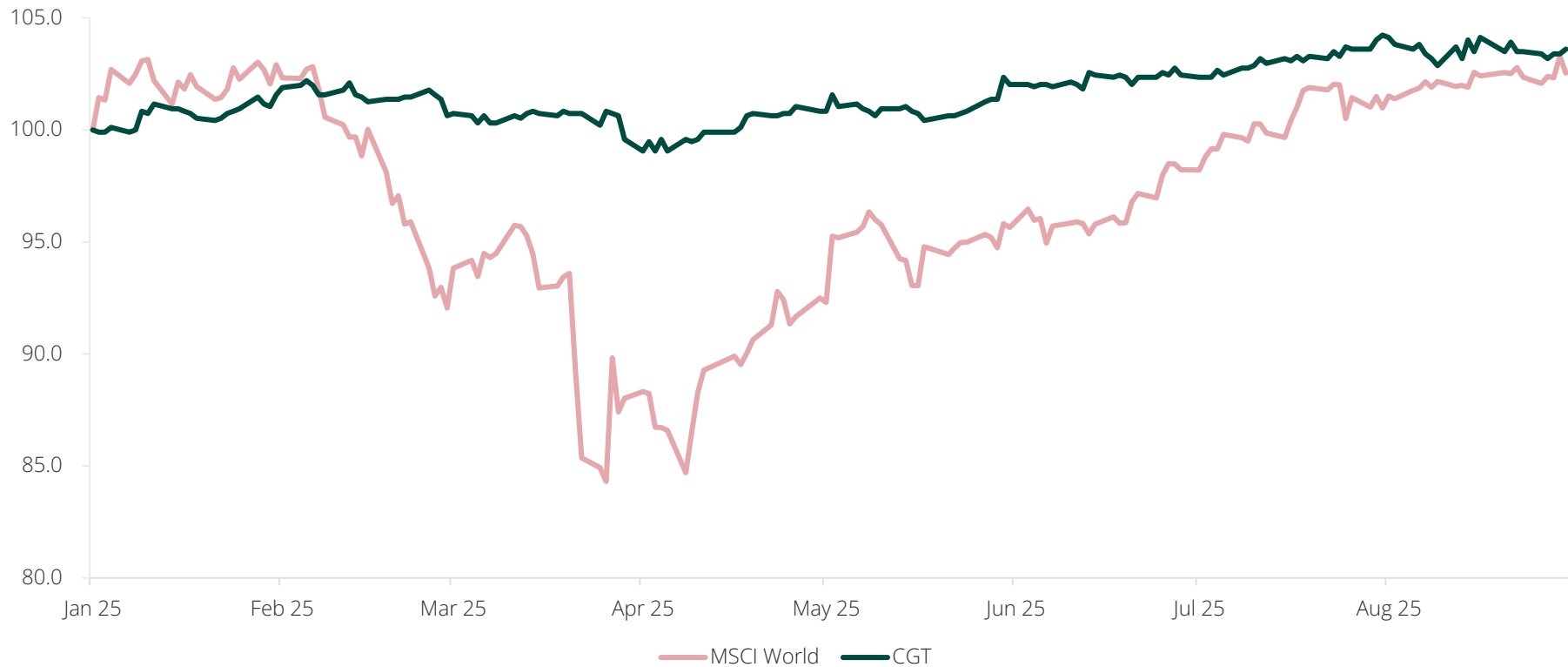
CGT Bonds Only Returns Performance to September 2025¹



¹Risk Assets include equities, property, alternatives and gold. Bonds include credit and sovereign bonds (excluding T-Bills and cash), start period reflects the longest period available for CGT under Bloomberg AIM
Source: Bloomberg Finance L.P., Northern Trust

Liberation Day provided a sharp, if short lived, stress test

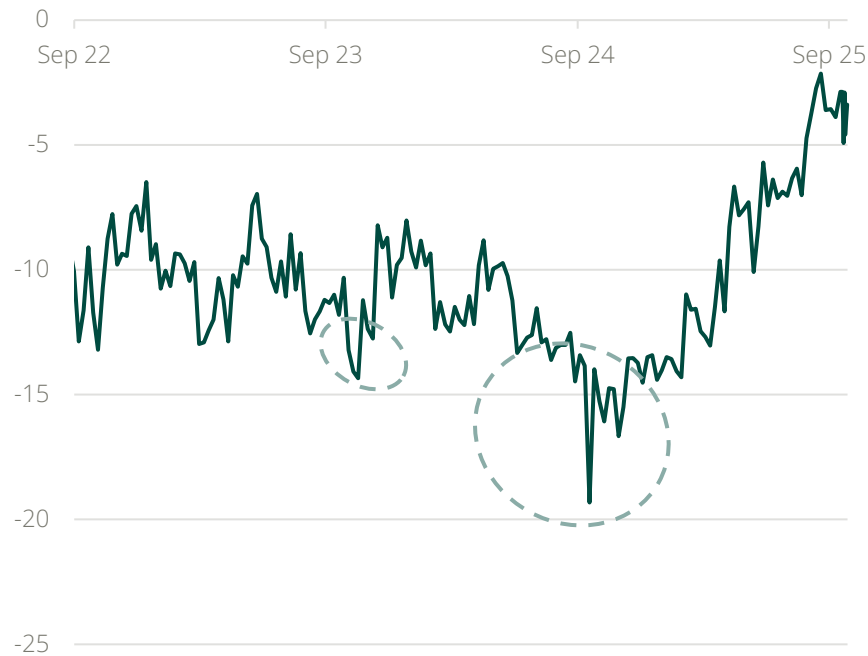
CGT vs. MSCI World (GBP total return, 31/12/24 = 100)



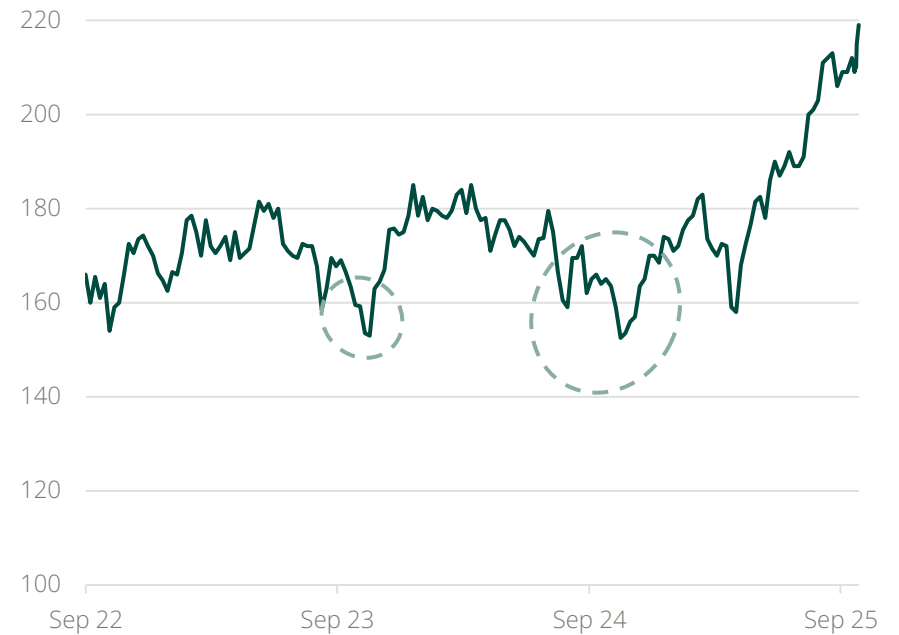
Sources: Bloomberg Finance L.P., Northern Trust

Our geographic overweight to Japan was helpful in the period

Fidelity Japan Value: Discount %



Fidelity Japan Value: Share Price (GBP)

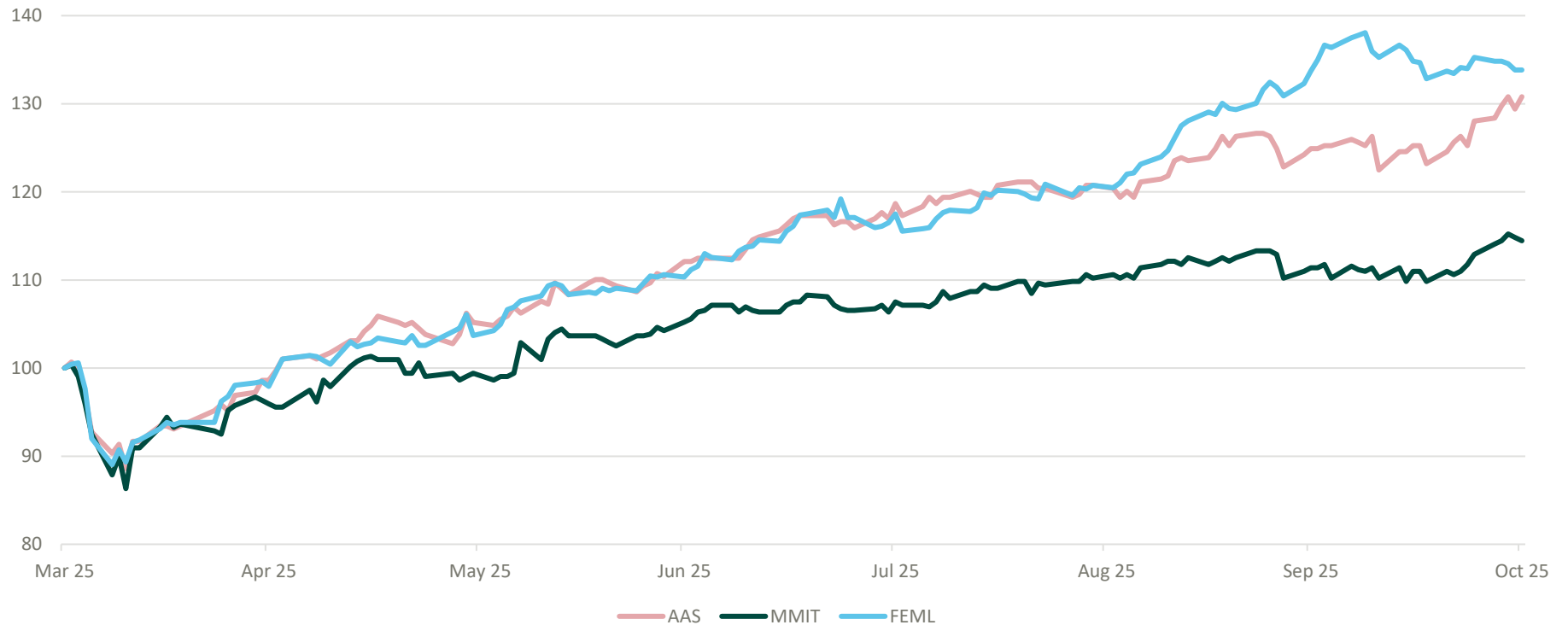


Source: Bloomberg Finance L.P.

 Purchases

Our major EM holdings illustrate why we favour a spread of positions

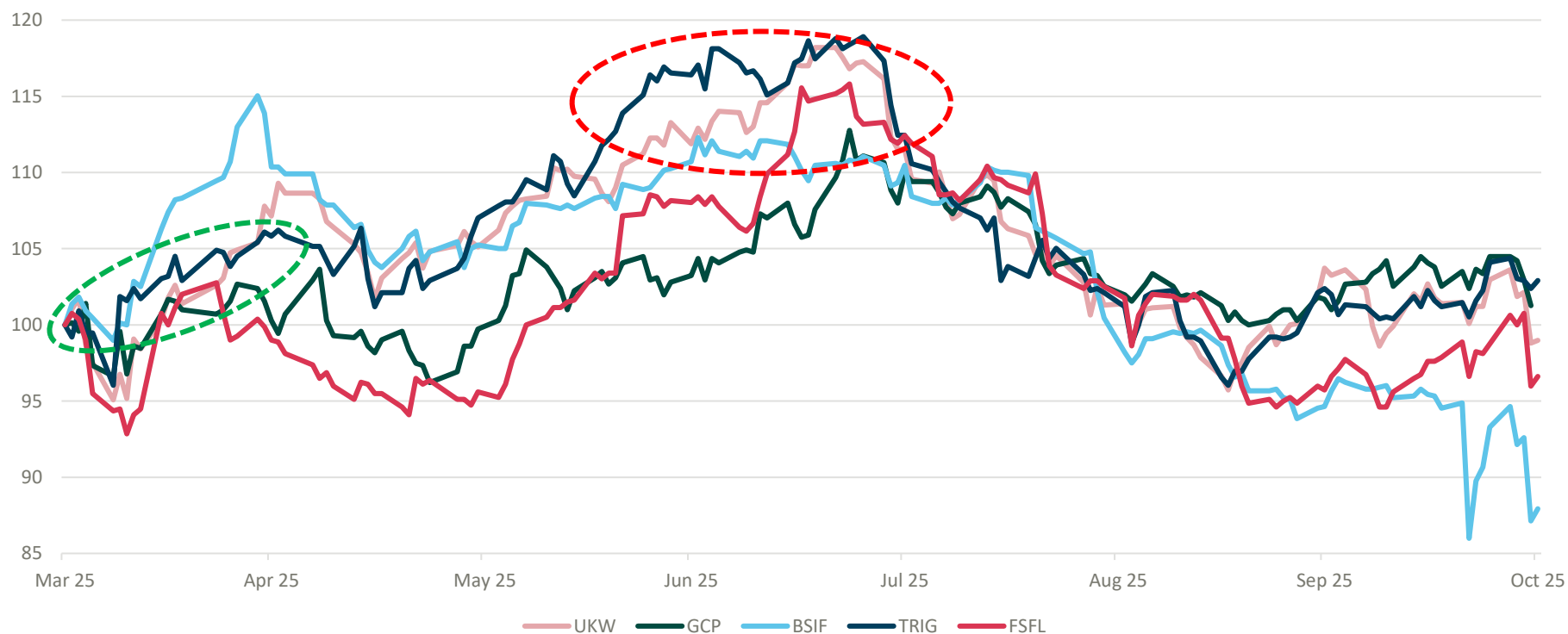
Share Price Returns for our larger EM Holdings (rebased to 100 31 March 2025)



Source: Bloomberg Finance L.P.

We substantially exited renewable infrastructure during the Summer

Renewable Infrastructure (selected stocks) – Share Price Performance (rebased to 100)



Source: Bloomberg Finance L.P.

Positioning and Returns

We have been reducing credit exposure given tight spreads. ABDNLN Perp and BPLN Perp sold. Annualised returns >15% and c. 9.5% respectively

ABDLN Perp - Price



BPLN Perp - Price



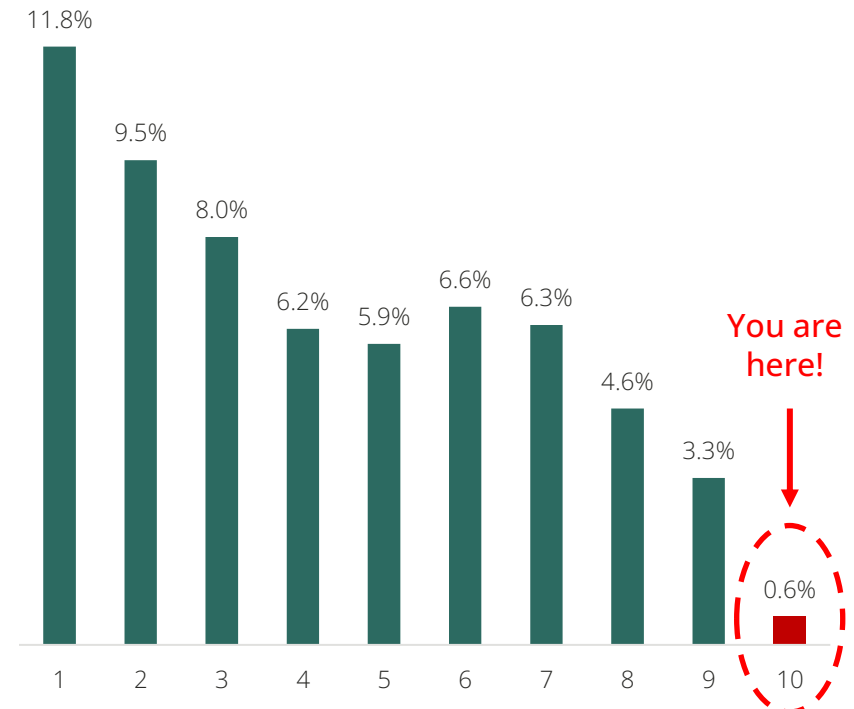
Source: Bloomberg Finance L.P.

Outlook

cgam

Equities have only been more expensive 1% of the time. For prospective returns, starting valuations *really* matter...

S&P 500 - 10 Year Annualised Returns by starting CAPE Decile

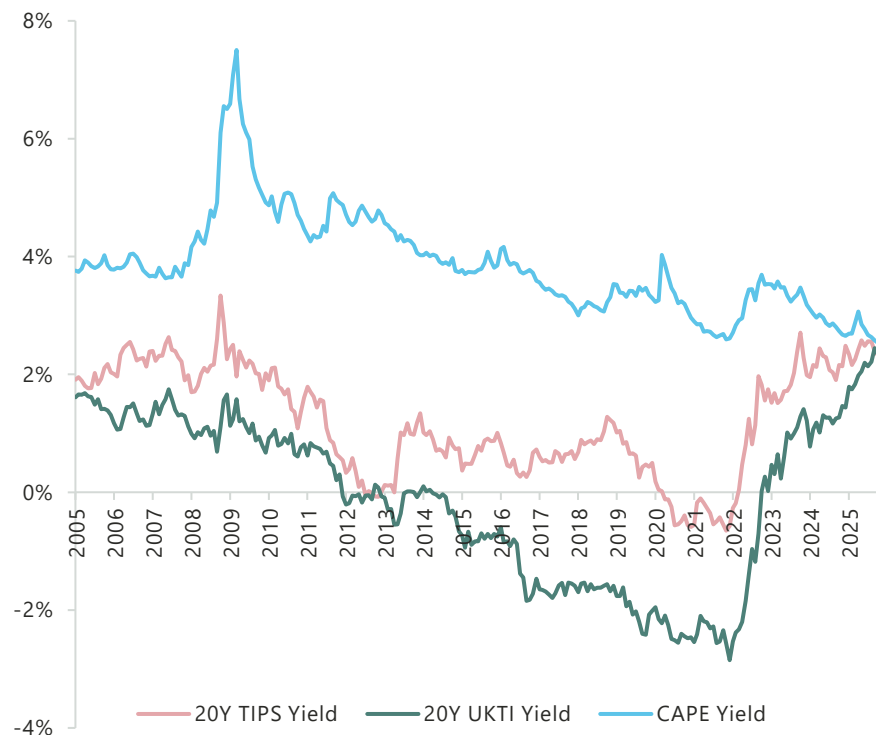


15

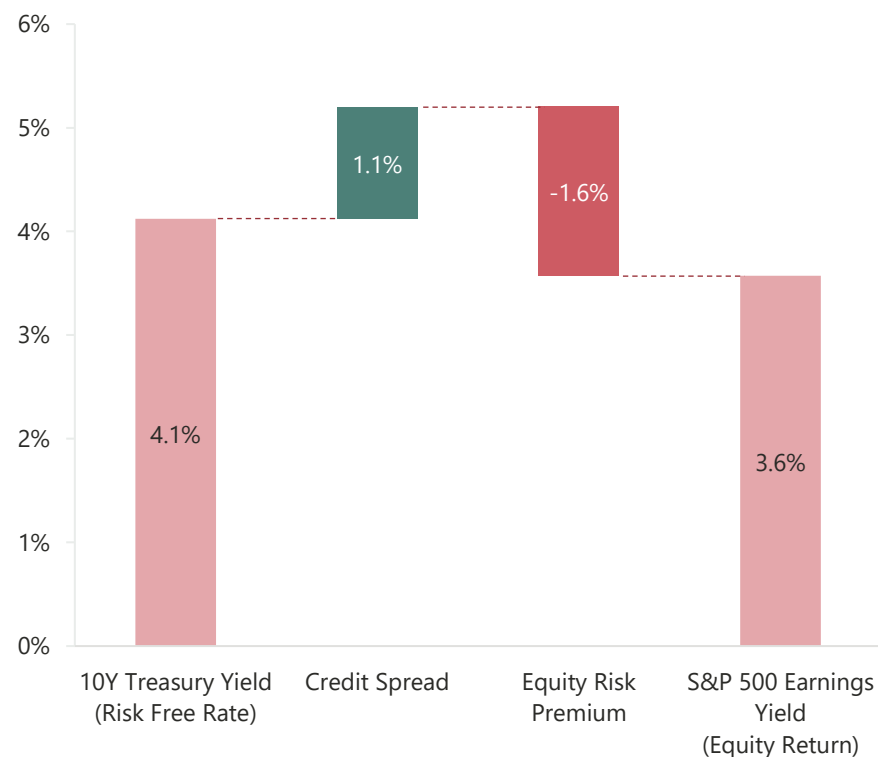
Outlook

...and on a relative basis, US equities appear poor value against the other major asset classes – even the risk-free rate

S&P 500 CAPE Yield vs. US & UK 10Y Real Yields



S&P 500 Equity Risk Premium (Nominal Terms)

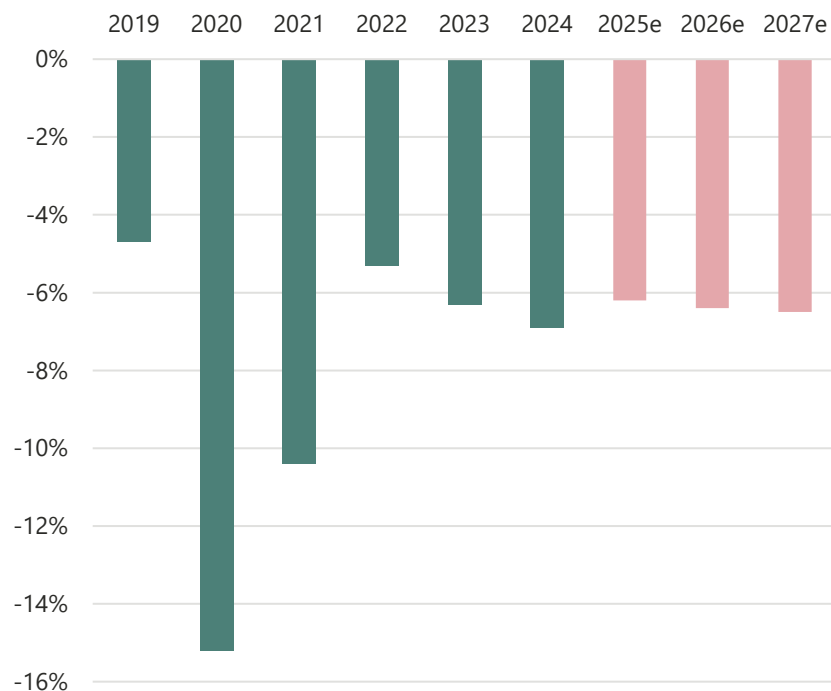


Source: Bloomberg Finance LP, Robert Shiller Online Dataset (yale.edu).

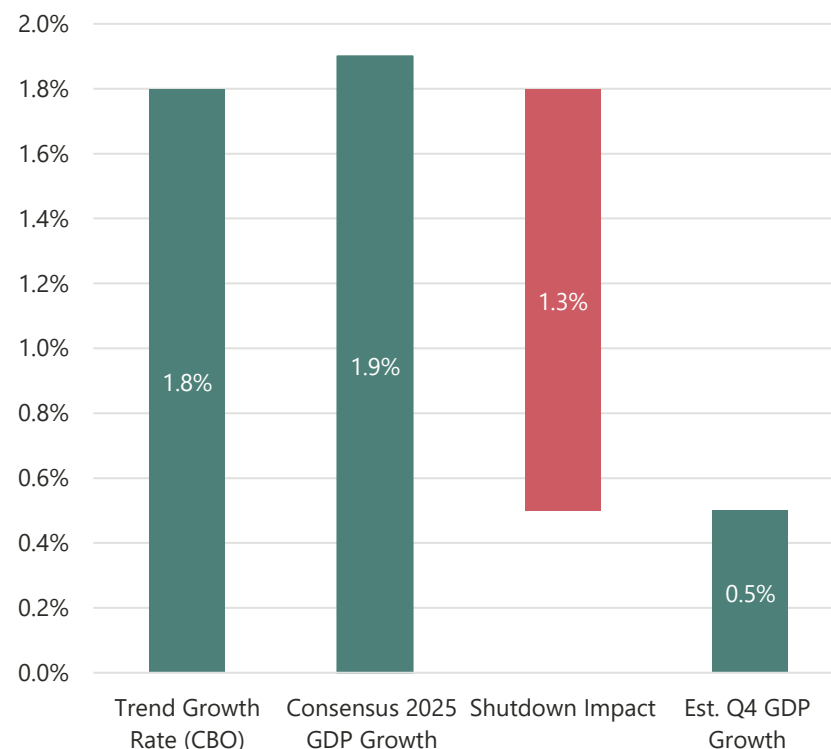
Outlook

The longest ever US government shutdown has come to an end. Even the lower end of the estimates suggest that the impact will be significant

US Fiscal Balances 2015-2025e (% GDP)



Estimated impact of shutdown on US GDP Growth (%)

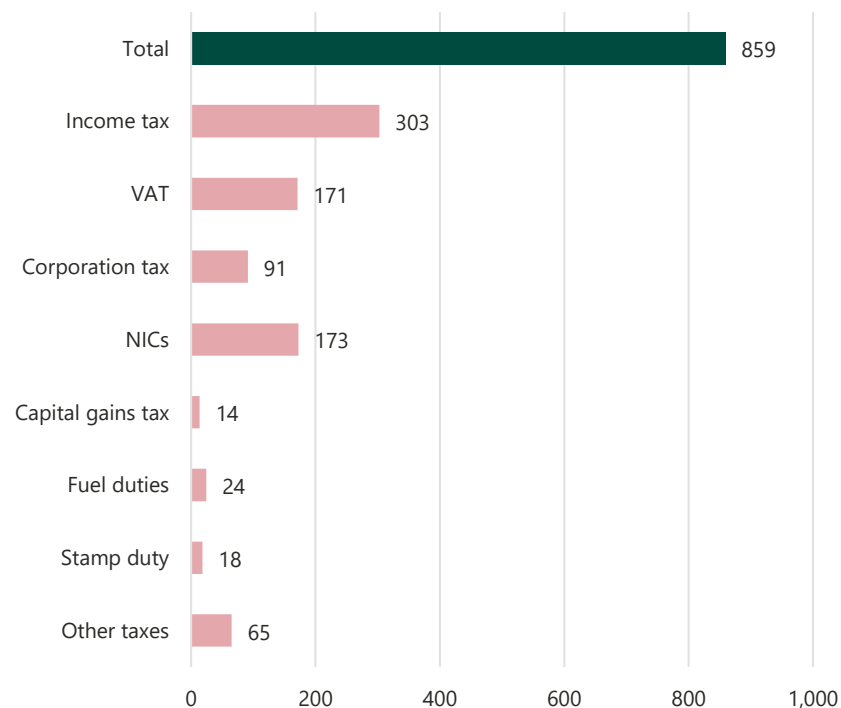


Source: Bloomberg Finance LP, US Congressional Budget Office. Estimate of shutdown impact is from Bloomberg Economics, on an annualised basis. Q4 GDP growth is also presented on an annualised basis.

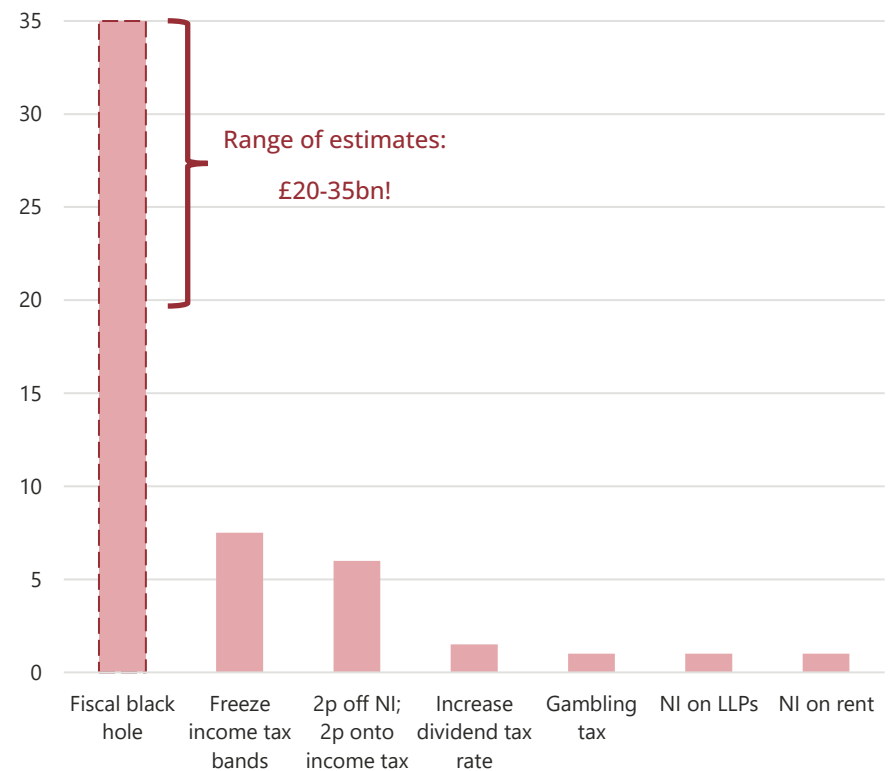
Outlook

Closer to home, the UK fiscal outlook is becoming harder to ignore, and the Chancellor's repeated pledges – and backtracking – make it difficult to repair

Breakdown of total HMRC tax receipts for 2024/25 (£ millions)



Fiscal black hole and estimates of mitigating actions (£ billions)

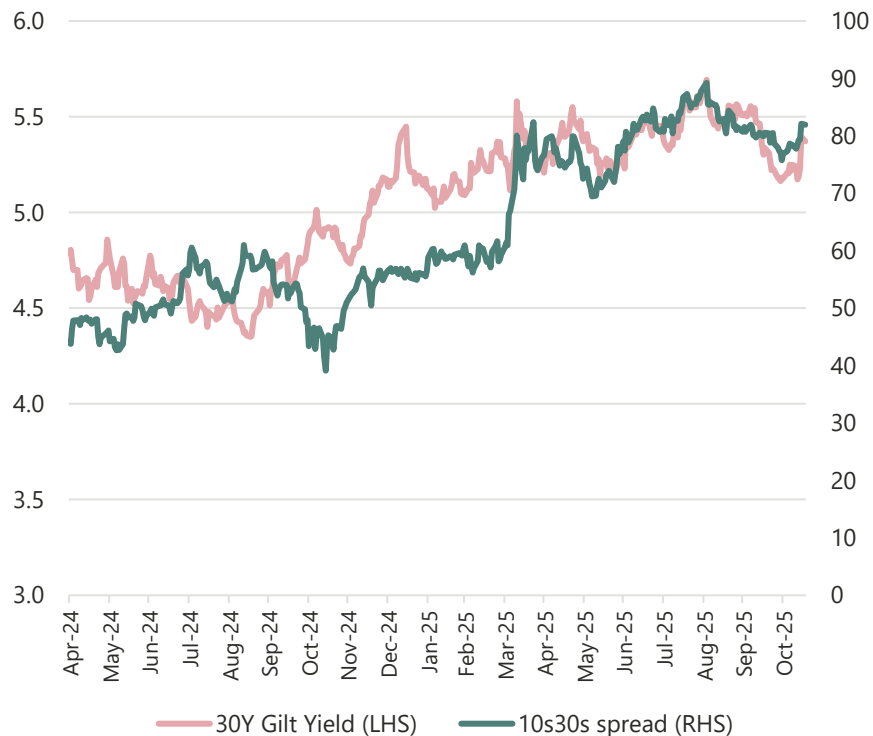


Source: Office for National Statistics, Resolution Foundation, Oxford Economics, Bloomberg Finance LP.

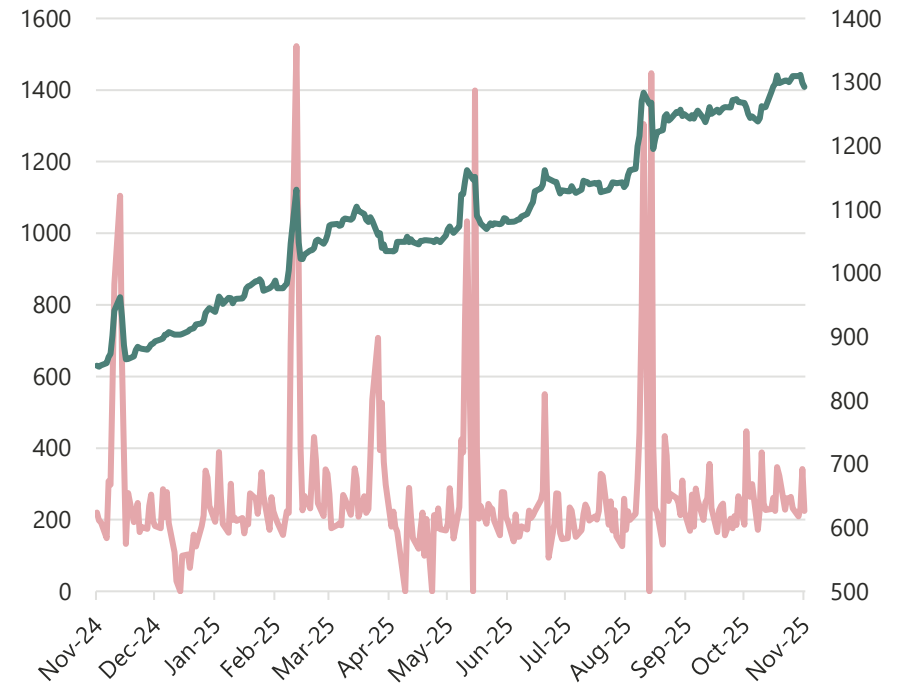
Outlook

As the fiscal position deteriorates, gilt markets are becoming increasingly leveraged

30Y Gilt Yield (%) and Long End Term Premium (bps)



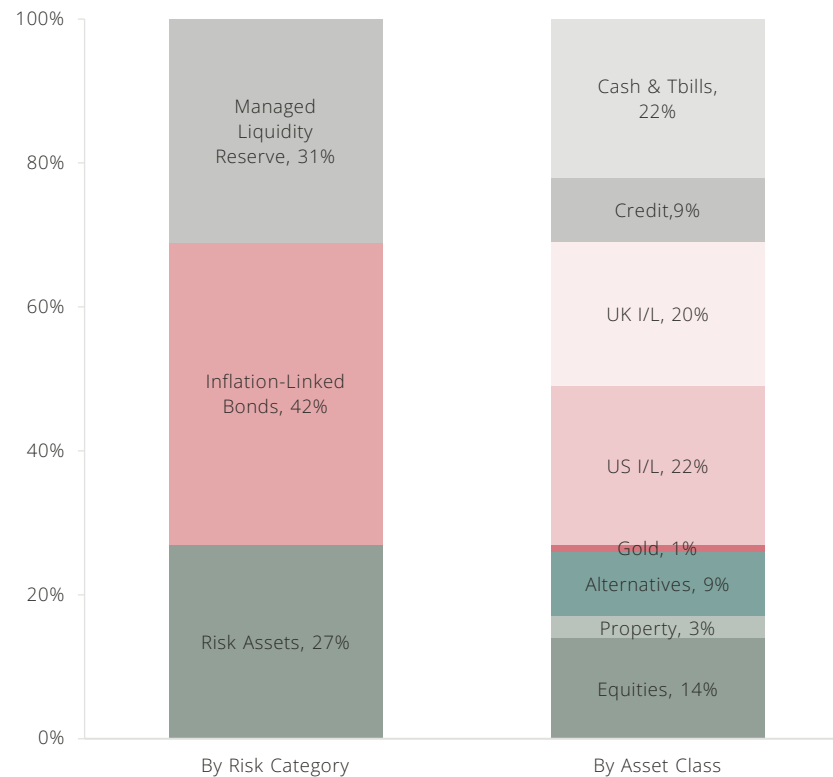
Daily Volume and Open Interest in Gilt Futures Markets ('000s)



Source: Bloomberg Finance LP, ICE Futures Europe.

Positioning remains defensive, with a focus on inflation protection

CGT Asset Allocation end-October 2025

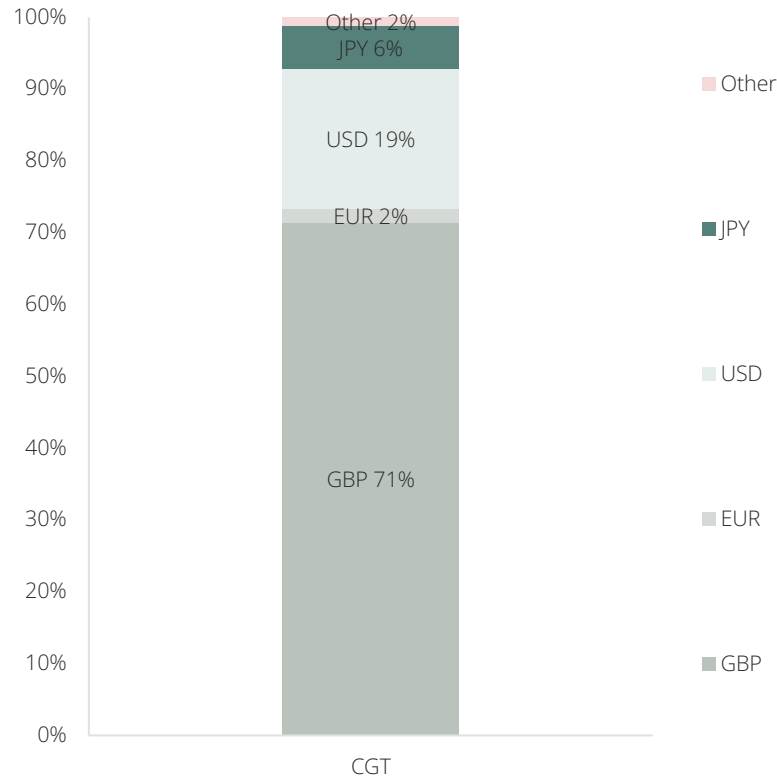


Source: Bloomberg, Northern Trust.

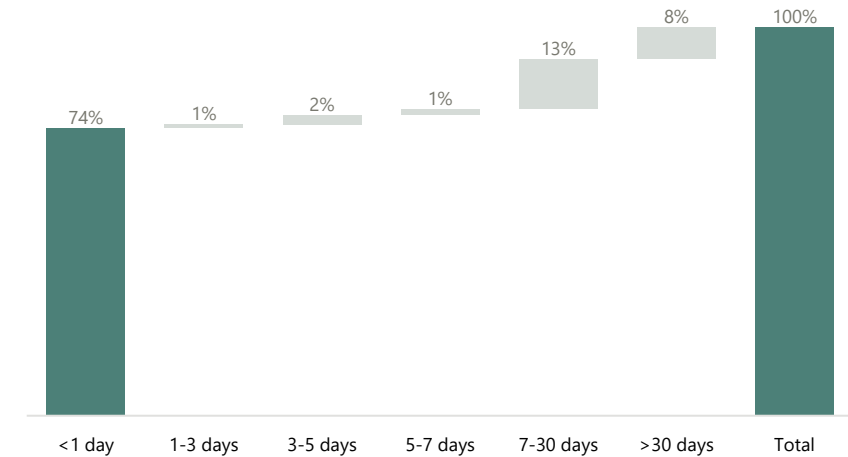
Appendix

Duration, currency and liquidity are actively managed

Currency Exposure¹



Time to Liquidation (days)²



Duration and Yield³

	Weight	Duration (Yrs)	Yield (%)	Rating ⁴
Cash & Tbills	23%	1.0	4.1	A+
I/L Bonds	39%	7.2	4.3 / 1.4	AA
Corp. Bonds	11%	3.2	5.8	A/A-
Risk Assets (HY Credit)	1%	1.1	9.0	BB/BB-
Risk Assets (Div Yield Equity)	26%	n.a.	5.0	n.a.
CGT	100%	4.6		

1. Currency exposure is estimated using Bloomberg.

2. Assumes 25% average daily volume participation rate

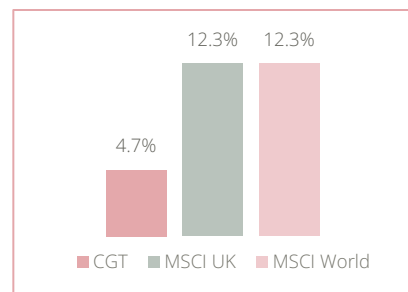
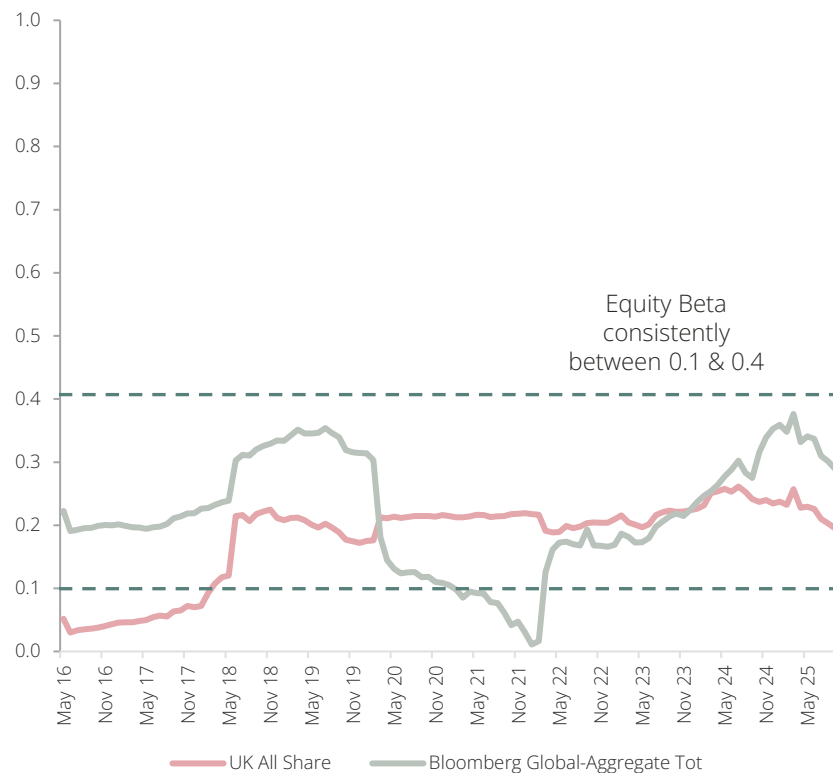
3. Duration refers to Option Adjusted Duration, Yield refers to the nominal yield to maturity for fixed income with real yield also shown for inflation-linked bonds. For equities, yield refers to dividend yield. Cash & Tbills includes bank deposits, hedged and unhedged government instruments. We display the 6-month UK Treasury Bill yield as a conservative representation of the yield on the underlying holdings in this bucket.

4. Ratings are sourced from Bloomberg and Moody's.

Positioning and Returns

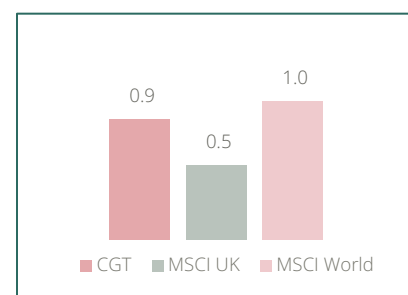
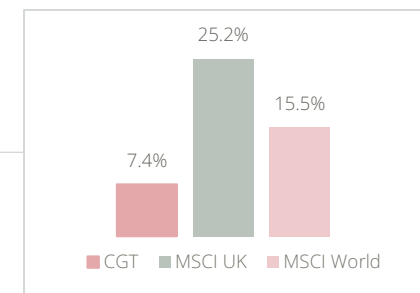
Returns have come with low volatility, and low correlation to equity & bond markets, and excellent risk adjusted performance

Sharpe Ratio & Volatility (%) vs. Major Indices



Volatility

Drawdown



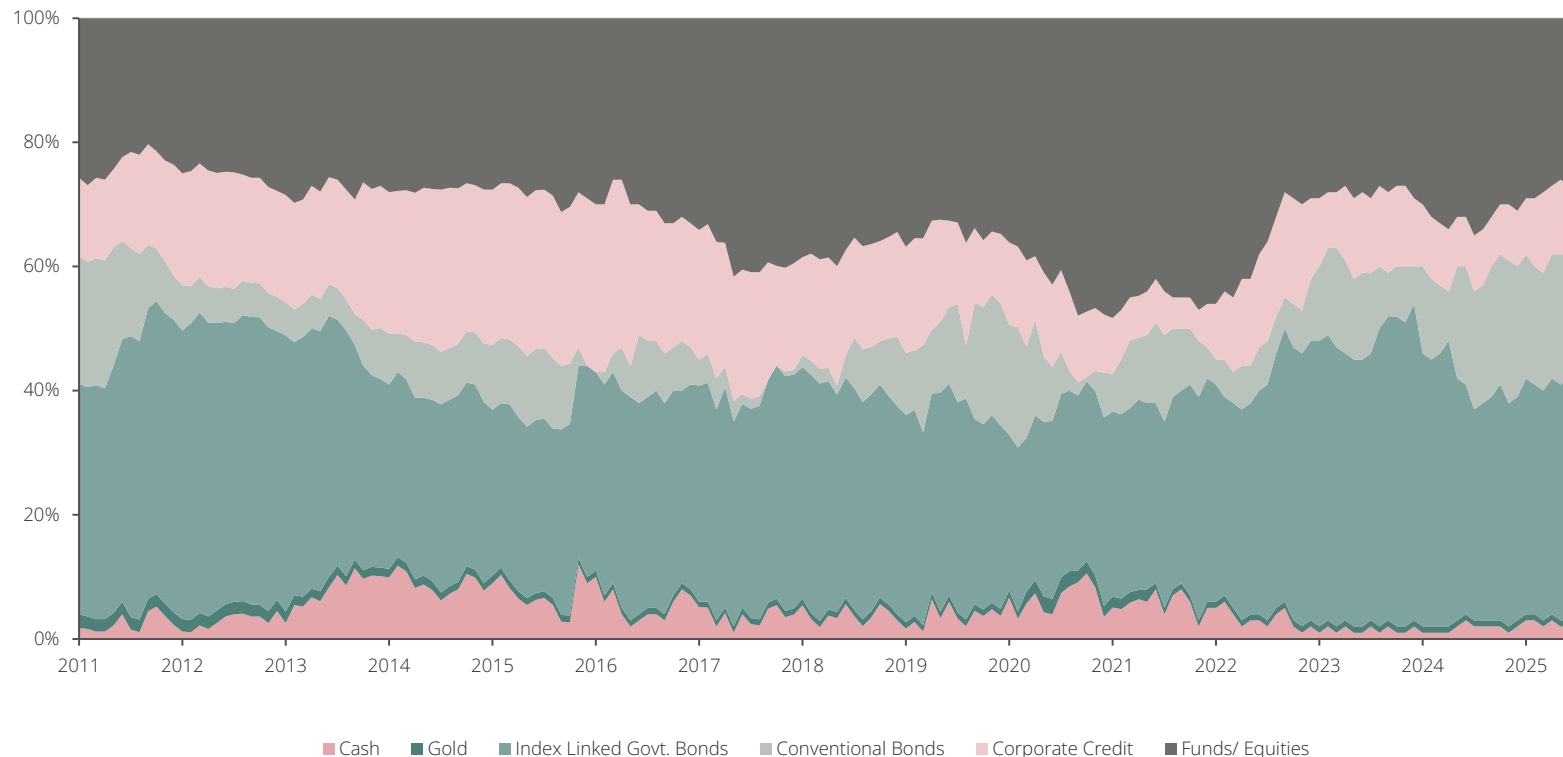
Sharpe Ratio

For comparability, the start period is taken from inception of the CG Absolute Return Fund.
Source: Bloomberg Finance L.P, risk statistics per Bloomberg standard definitions.

Positioning and Returns

Changes to asset allocation tend to be modest over the short term but can be fundamental over the long term

CGT Asset Allocation – 2011 to 2025



Source: CGAM, Bloomberg Finance L.P., Northern Trust.

Top Equity and Bond Holdings

Top 10 Equity Holdings

Asset	Weight
North Atlantic Small Companies	2.1%
Vanguard FTSE 100 ETF	1.9%
International Public Partnership	1.4%
HICL Infrastructure	1.3%
Vanguard FTSE 250 ETF	1.2%
JPMorgan Japan ETF	1.2%
3I Infrastructure	1.2%
BH Macro	1.1%
Blackrock Energy	1.0%
Smithson Investment Trust	1.0%
	13.3%

Top 10 Bond Holdings

Asset	Weight
UKTI 0.125% 10/08/31	6.2%
JGB 0.60% 01/01/27	5.5%
UKTI 0.75% 22/11/33	3.8%
US I/L 1.75% 15/01/34	3.4%
UKTI 1.25% 22/11/32	2.7%
US I/L 1.375% 15/07/33	2.6%
JTDB 0.00% 20/11/25	2.4%
JGB 0.70% 01/02/27	2.4%
UKTI 0.125% 22/03/29	2.4%
US I/L 0.625% 15/01/26	2.4%
	33.9%

Source: CGAM, Northern Trust.

IR@cgasset.com

+44 20 3906 1643

20 King Street, London, EC2V 8EG

www.cgasset.com

cgam