Annual General Meeting

Capital Gearing Trust

July 2026

cgam

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Key Highlights of the financial year ended March 2026

NAV Total Return: +5.8%
(CPI Return: 3.3%)

Share Price Total Return: +6.4%

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

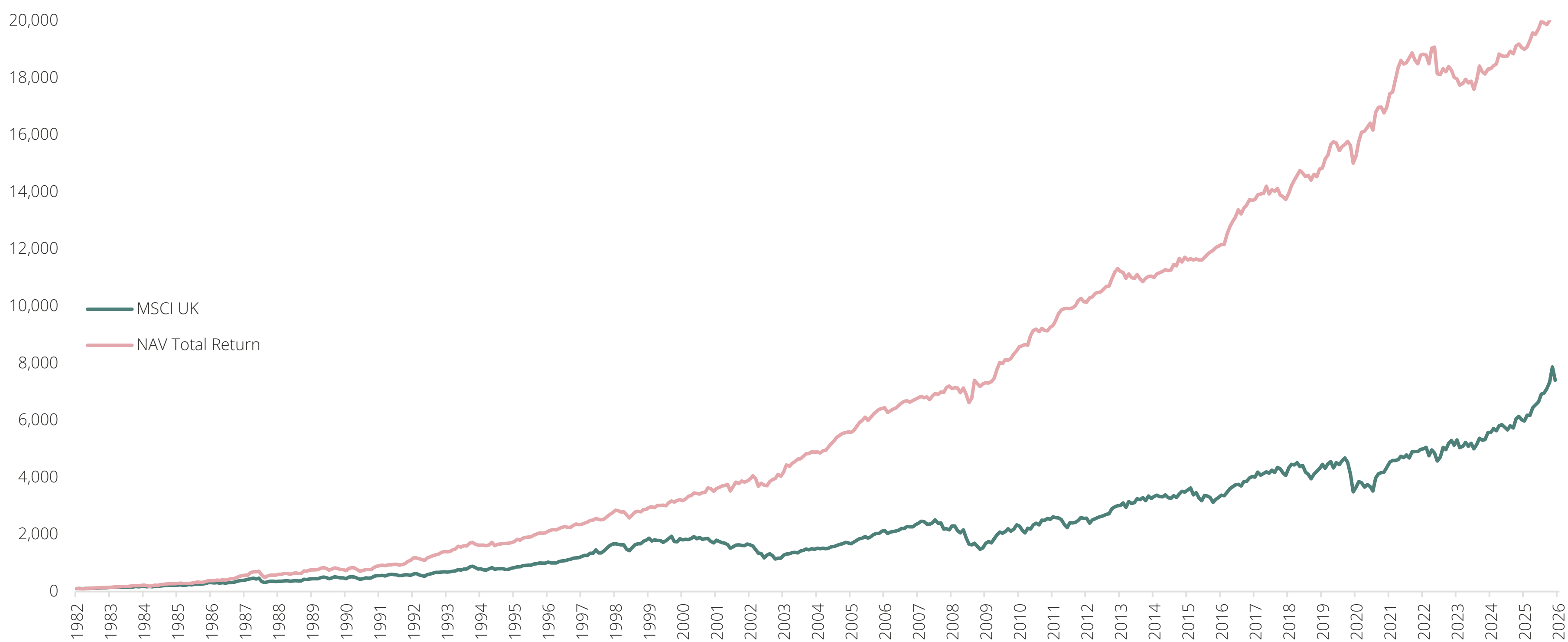
The majority of returns came from the Risk Asset portfolio, with equities performing well despite an uncertain geopolitical background

As a consequence of CGT's strong performance since launch, the Board is proposing a 10 for 1 share split, to increase accessibility and market liquidity in the shares

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

Share price appreciation from 21p to 5200p has motivated a 10-1 share split

NAV Total Return History (Rebased) Mar 1982 to Mar 2026



[1] *Share price terms, assumes all dividends reinvested over the period specified*
Source: Northern Trust, Morningstar

Capital Gearing Trust

Positioning and Returns

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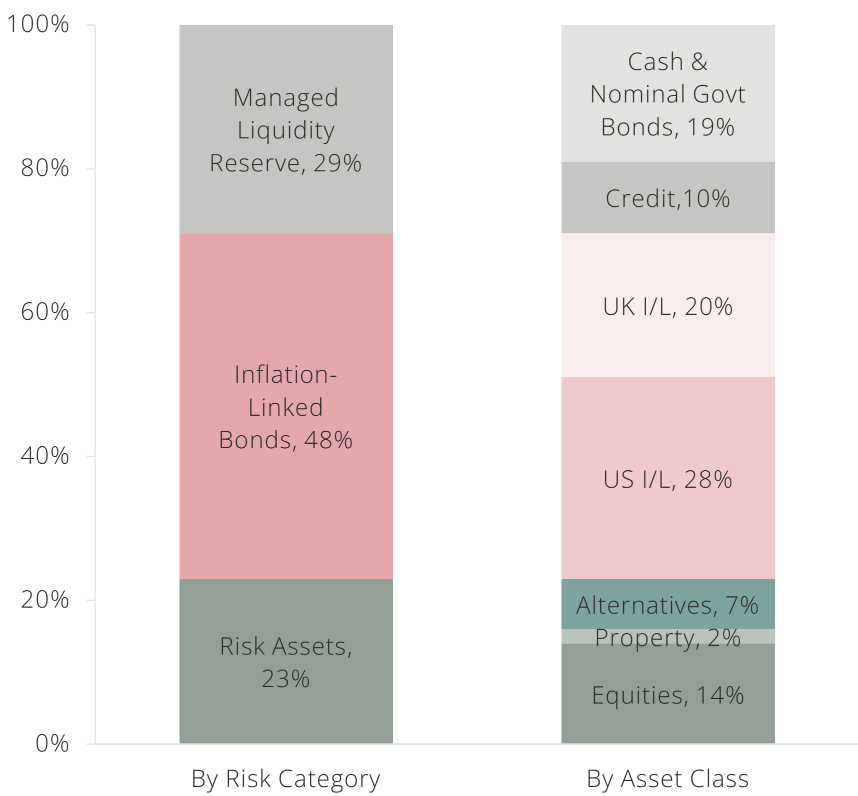
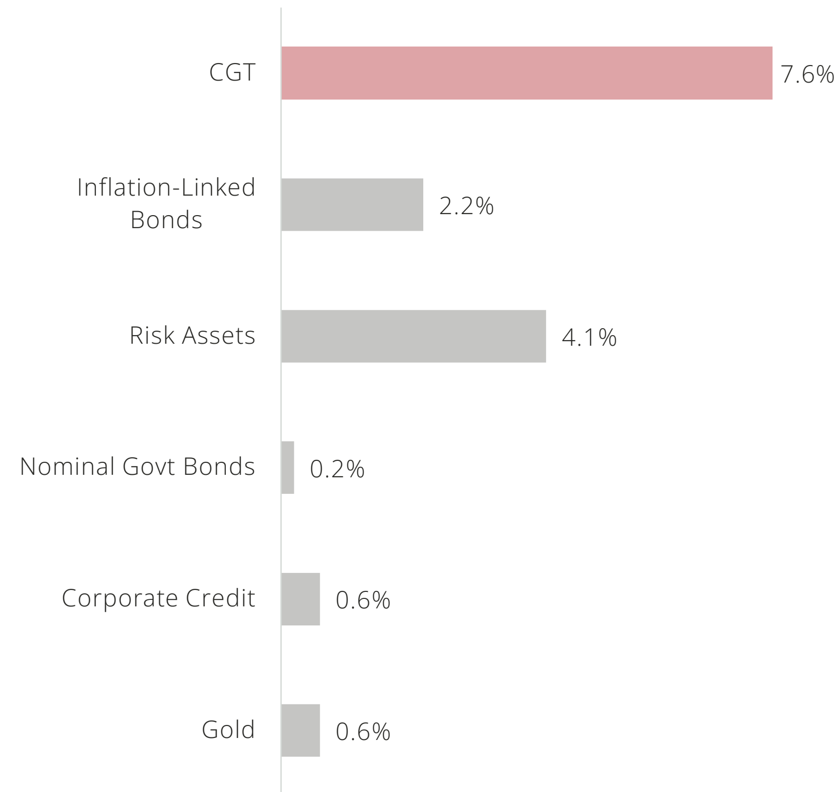
The portfolio is defensive with a focus on inflation protected returns

CGT Asset Allocation June 2026



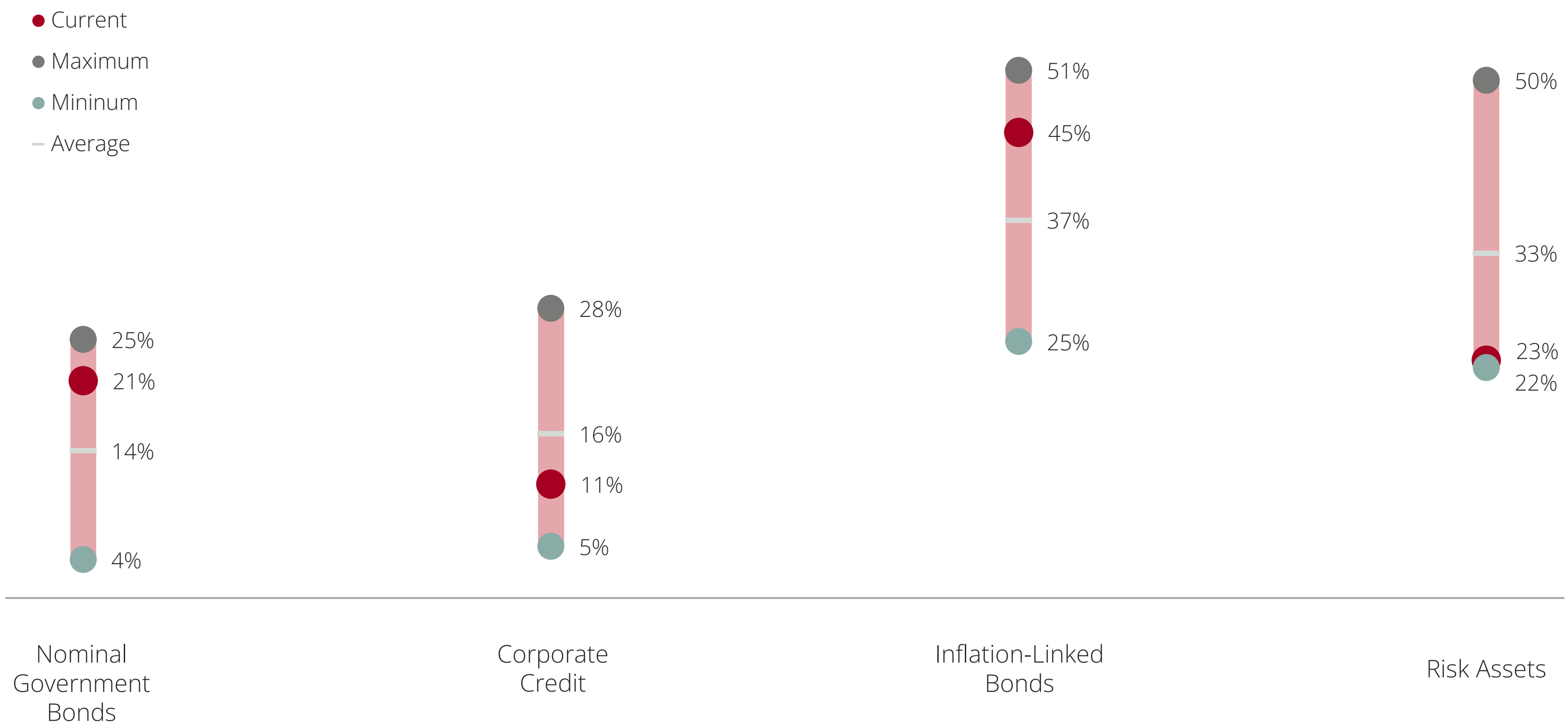
Contribution by Asset Class LTM



NAV performance net of fees
Source: CGAM, Bloomberg Finance L.P., Northern Trust

Positioning is defensive even relative to its own defensive history!

CGT Asset Allocation: 2011-2026



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

Both equity and bond portfolios have contributed to outperformance

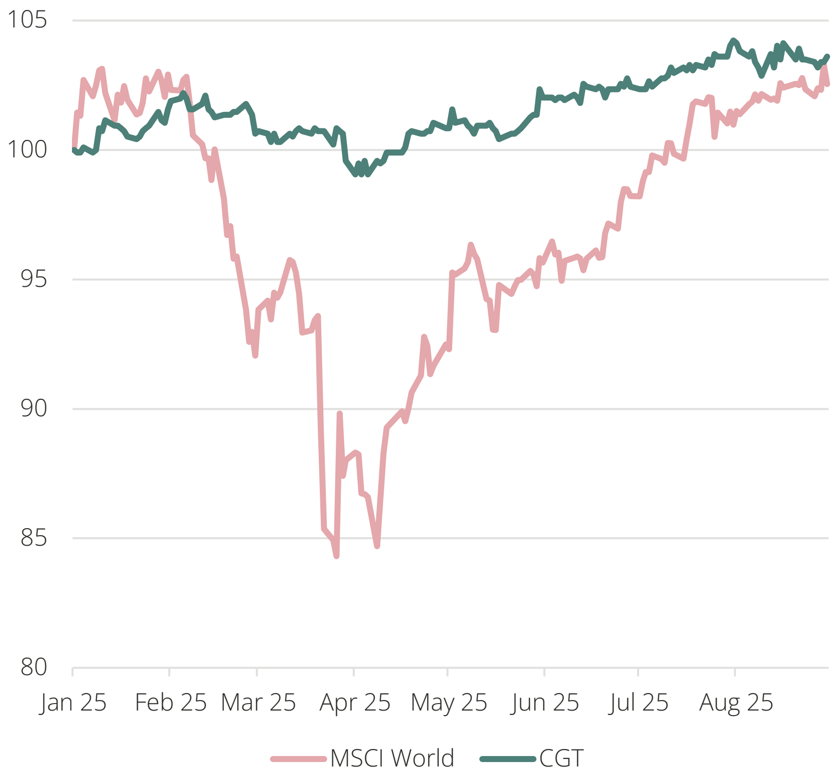
CGT Risk Assets Returns Performance to June 2026[1]

CGT Bonds Only Returns Performance to June 2026[1]

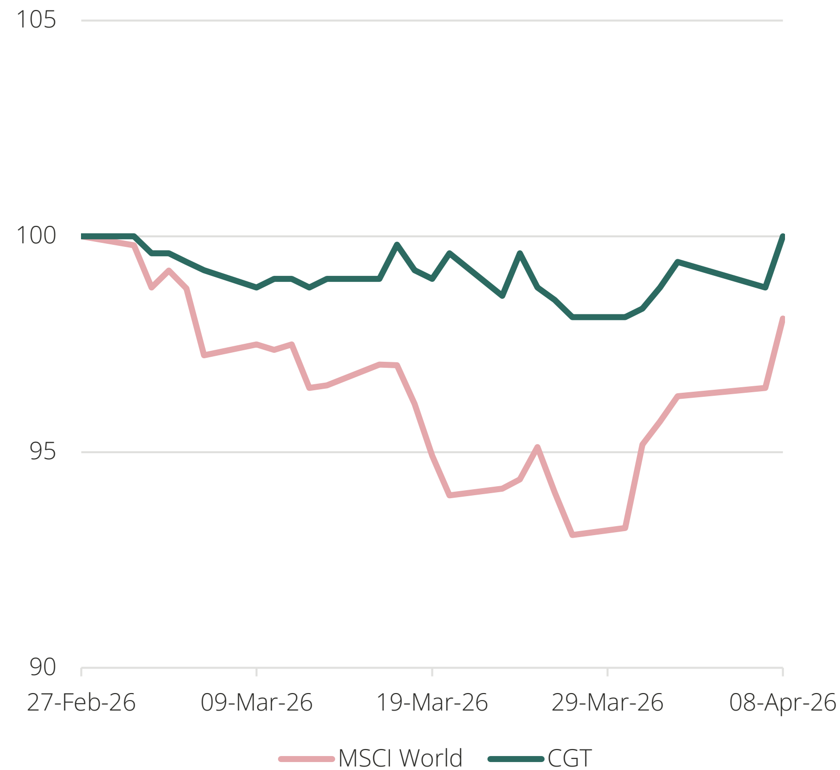
1.Risk Assets include equities, property, alternatives and gold. Bonds include credit and sovereign bonds (excluding T-Bills and cash), start period reflects the longest period available for CGT under Bloomberg AIM
Source: Bloomberg Finance L.P., Northern Trust

The portfolio proved resilient through two significant recent shocks

CGT vs. MSCI World during Liberation Day shock



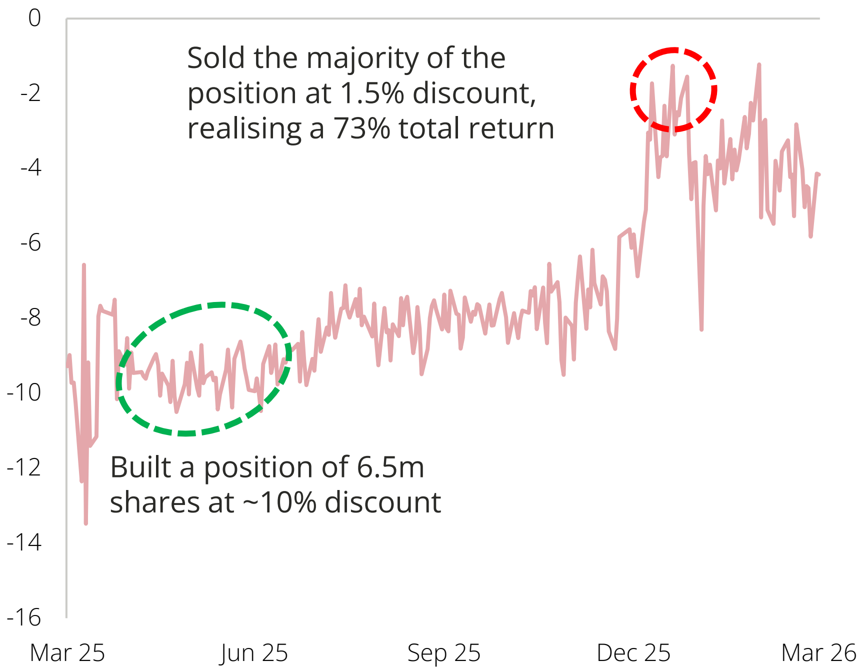
CGT vs. MSCI World during the initial Iran War shock



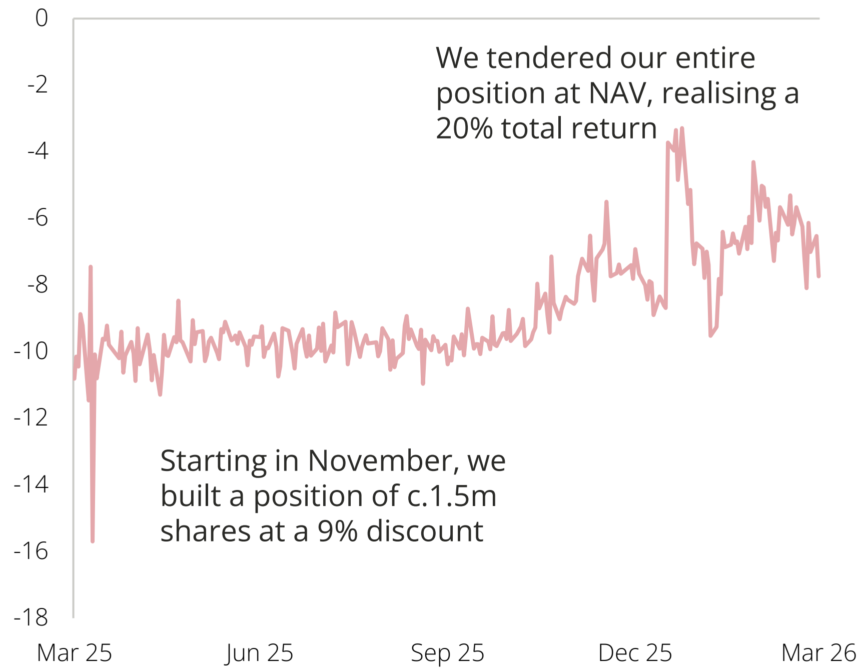
Sources: Bloomberg Finance L.P., Northern Trust

The environment has been much better for discount hunters

Blackrock Energy and Resources (discount to NAV %)



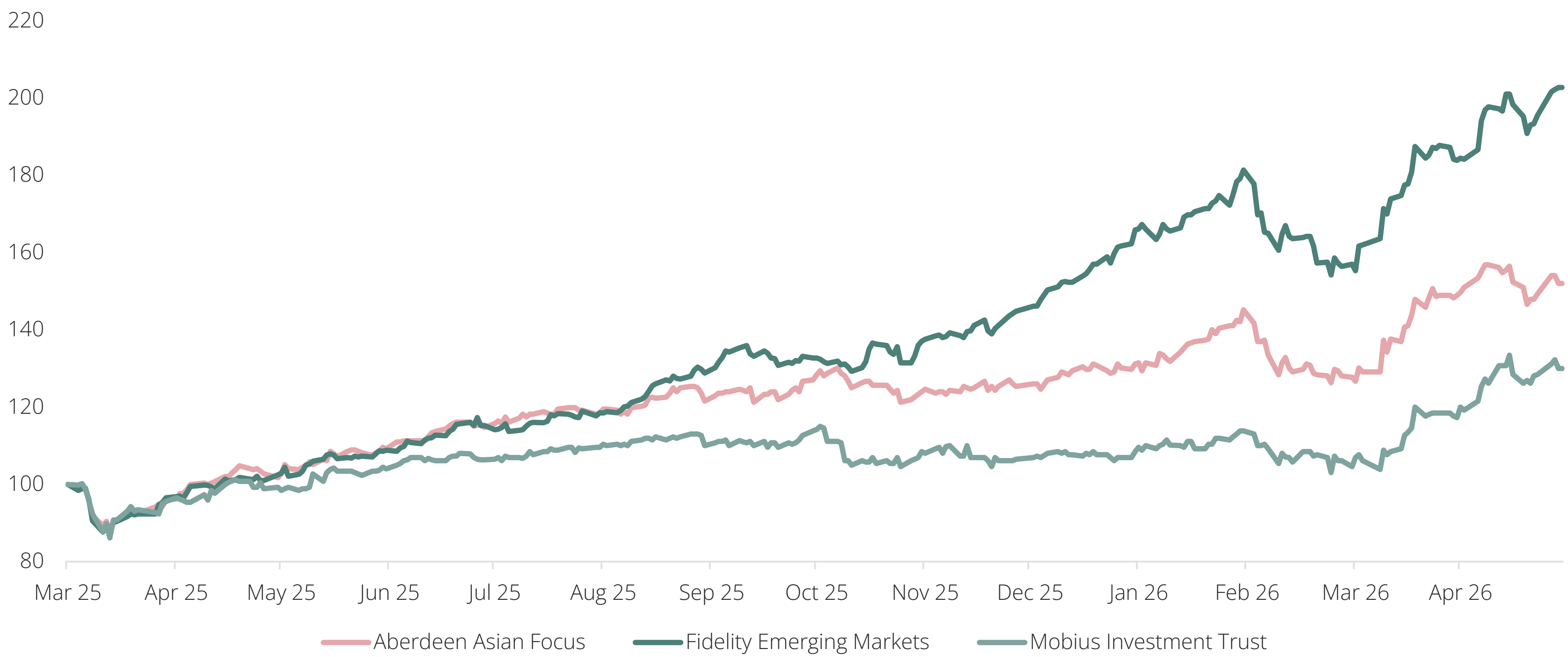
Impax Environmental Markets (discount to NAV %)



Source: Bloomberg Finance L,P.

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

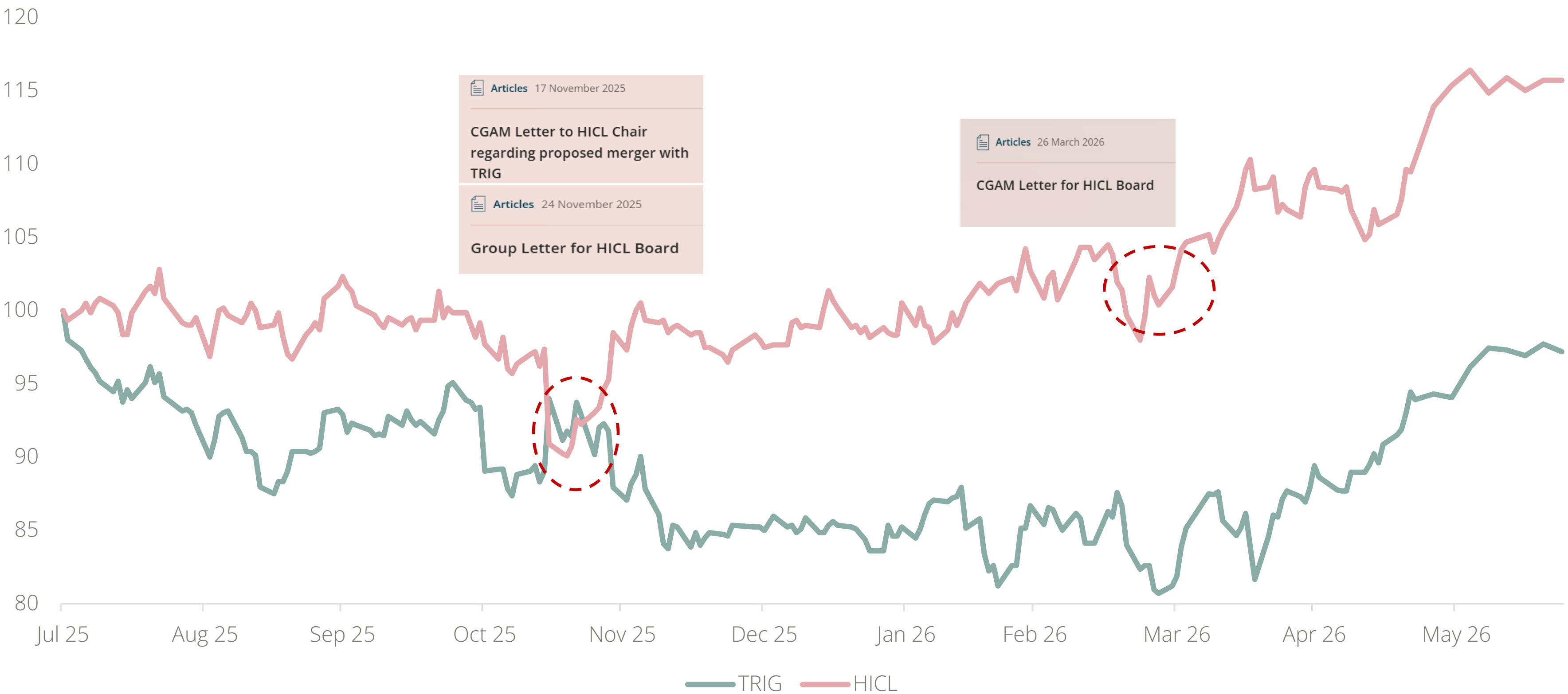
CGT's largest EM holdings (share price returns, rebased to 100 at 31 March 2025)



Source: Bloomberg Finance L.P.

We exited renewable energy infrastructure last summer, or so we thought!

Total return: TRIG vs HICL for the 3 months preceding the merger announcement and the performance since

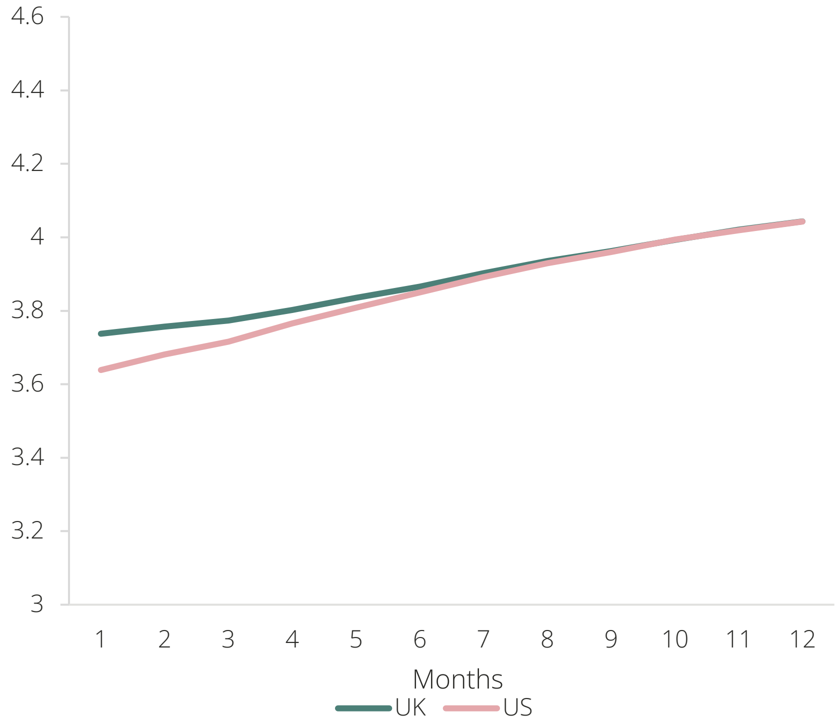


Source: Bloomberg Finance LP. Relative performance shown starting three months before the announcement of the merger proposal.

Past performance is not indicative of future results.

Moderate duration has preserved value in a historic bond bear market

US & UK market-implied central bank rates (%)



US & UK 20Y Yields (%)

Source: Bloomberg Finance LP.

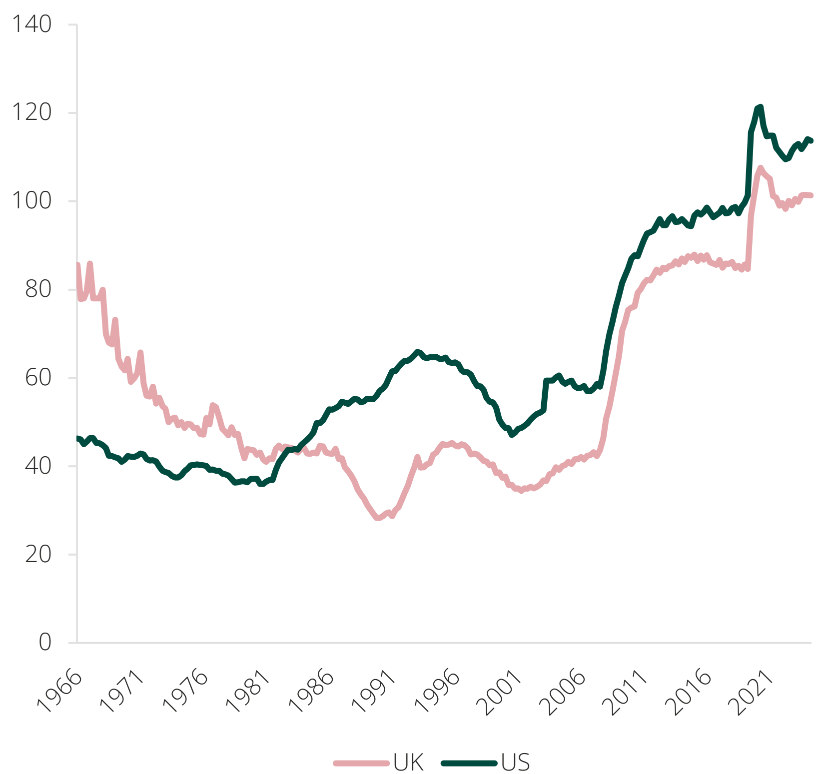
Past performance is not indicative of future results.

Outlook

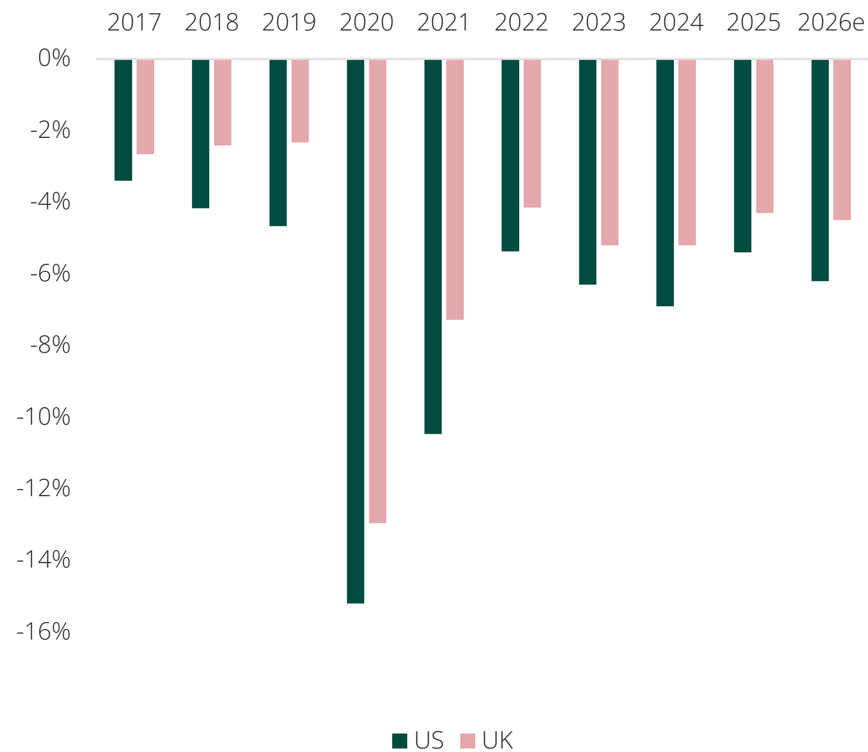
Outlook

The outlook for public finances has been problematic for some time

UK & US Government Debt (% of GDP)



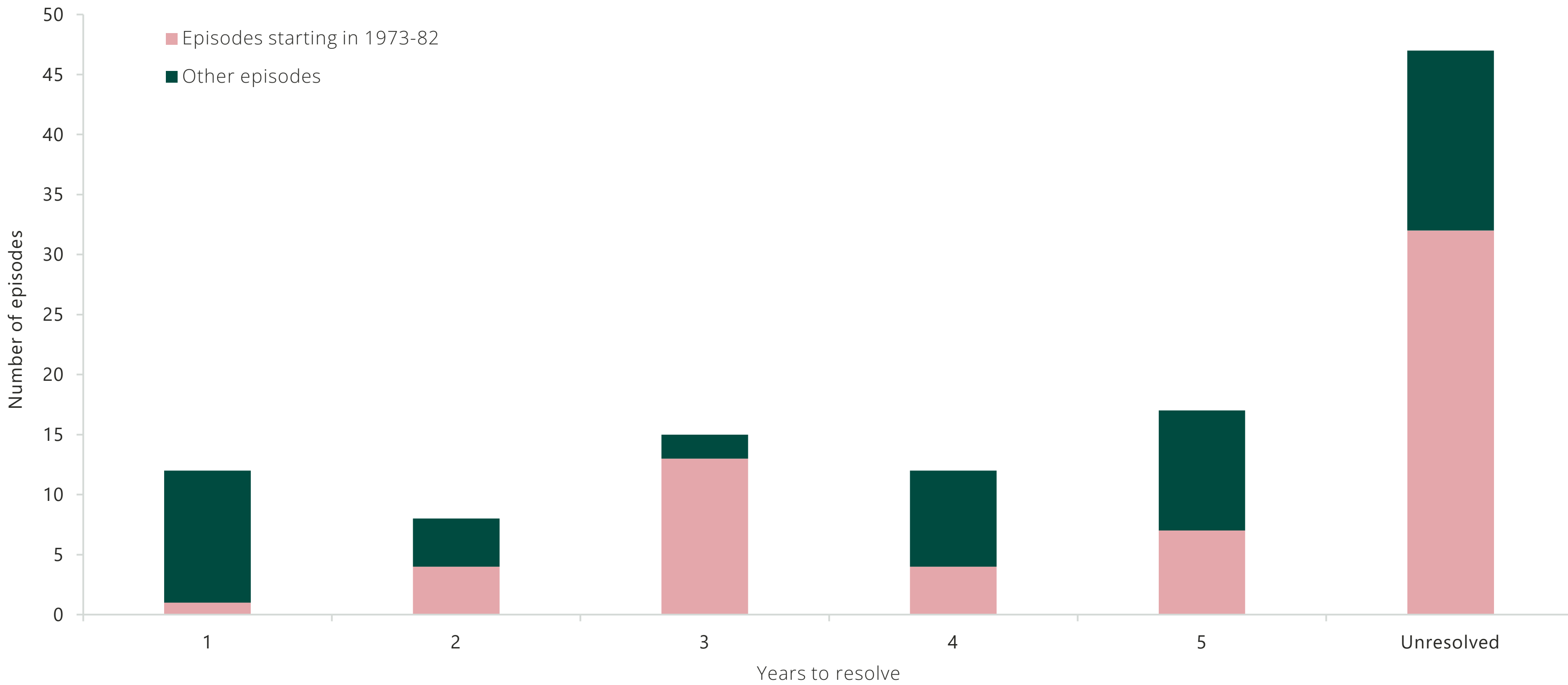
UK & US Fiscal Balance (% of GDP)



Source: Bank for International Settlements,, Bloomberg Finance LP.

Once established, it is hard to get rid of inflation

Years until inflation declines to within 1% of its pre-shock rate

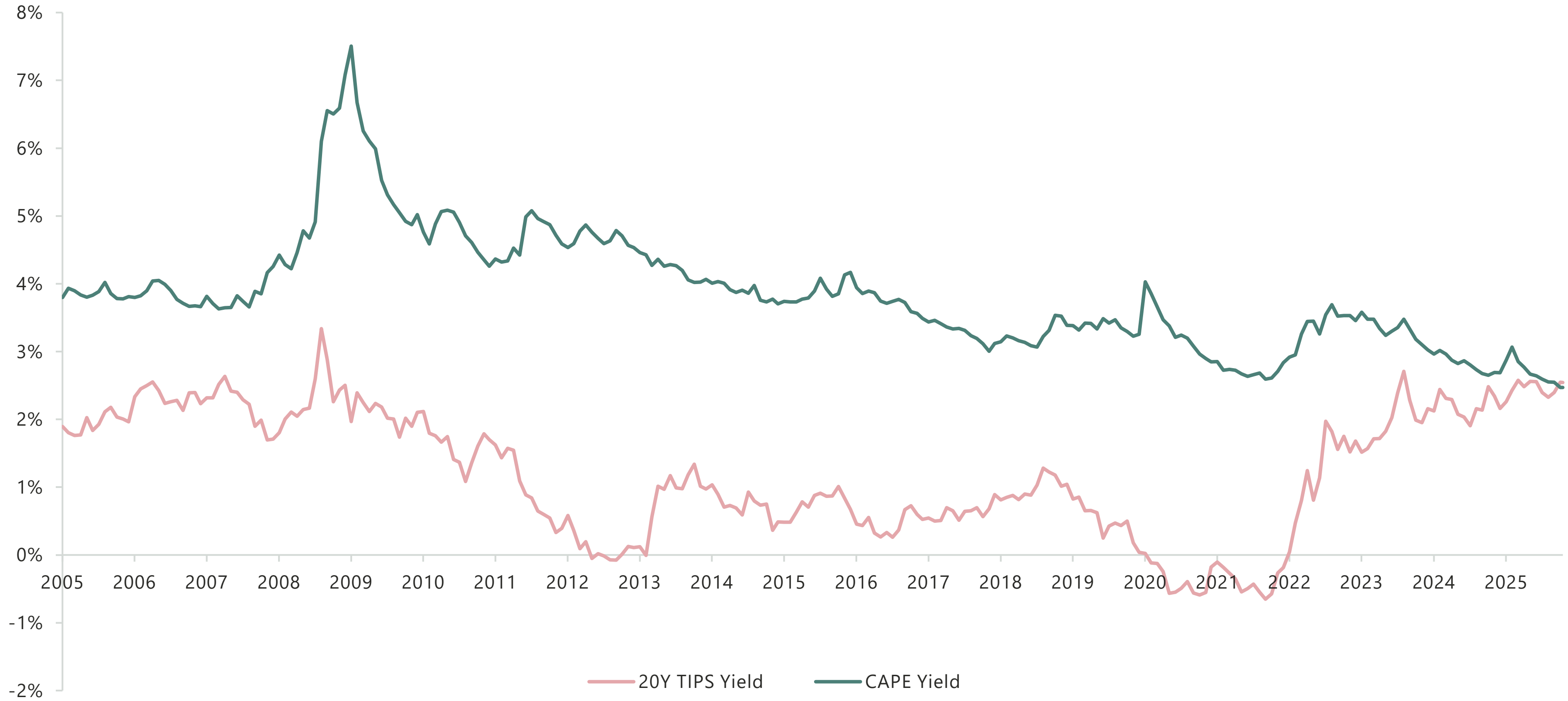


Source: One Hundred Inflation Shocks: Seven Stylized Facts (International Monetary Fund, 2023). An inflation shock is a country-year pair where the average annual inflation rate rises by at least two percentage points. Inflation shocks are categorised as having been 'resolved' if inflation falls to whin 1 percentage point of its pre-shock rate by the end of our 5-year window.

Outlook

While bond markets have repriced, equities remain ambivalent

S&P 500 CAPE Yield vs. 20Y TIPS Yield

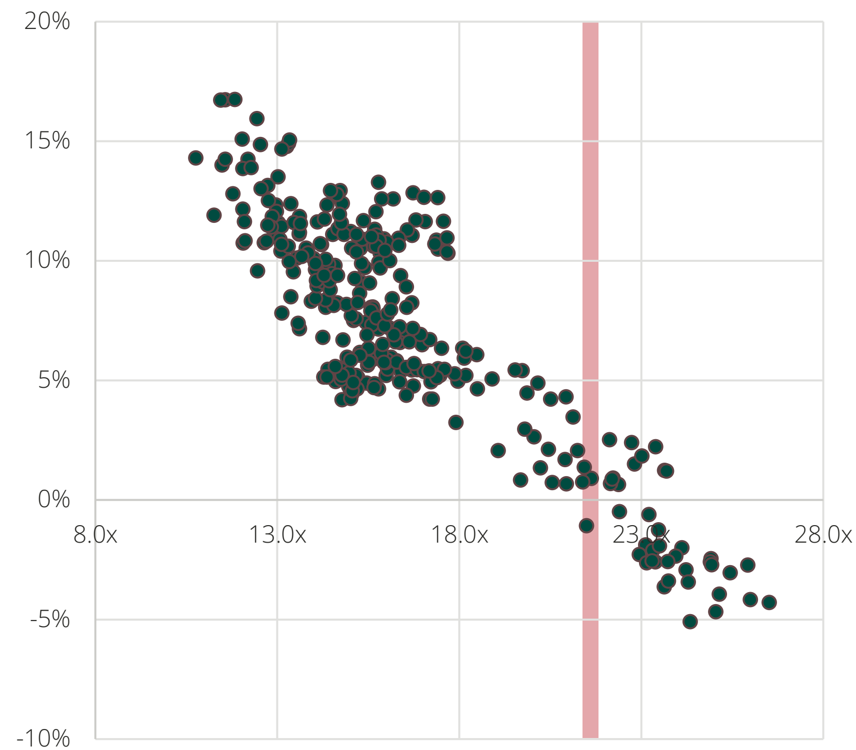


Source: Bloomberg Finance LP

Starting valuations *really* matter for prospective returns

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

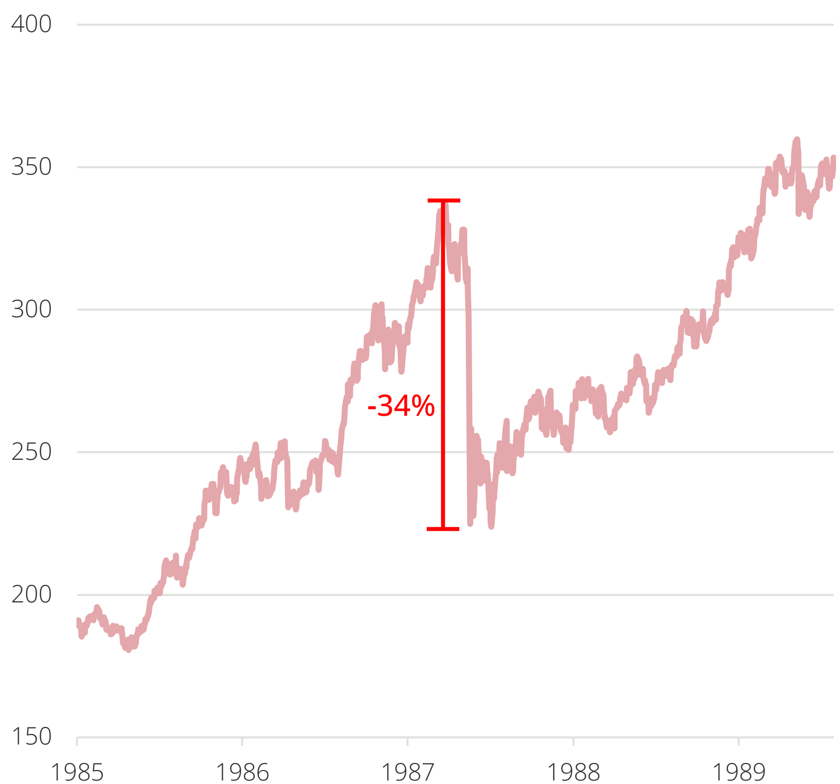
S&P 500 forward P/E ratios and subsequent 10-year returns (%, annualised total return)



Source: Robert Shiller Online Dataset (yale.edu), CGAM Analysis (LHS chart); Bloomberg L.P. data since 1990 which is the earliest available, CGAM analysis (RHS chart).

When equity markets correct, they can fall a long way

Level of S&P 500, 1985-1990



Level of S&P 500, 2007-2011

Source: Robert Shiller Online Dataset (yale.edu), CGAM Analysis (LHS chart); Bloomberg L.P. data since 1990 which is the earliest available, CGAM analysis (RHS chart).

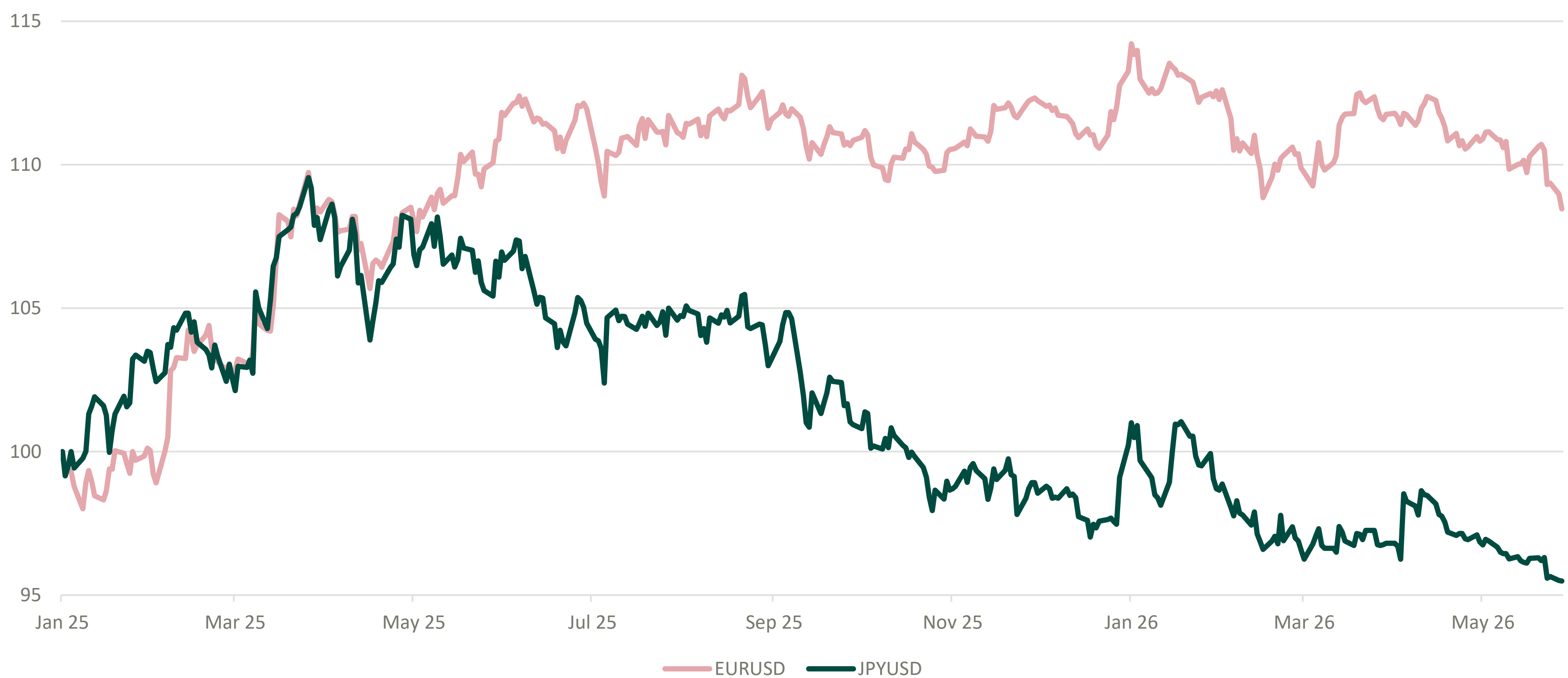
Low savings leave US consumers vulnerable to equity markets

US Personal Saving Rate (%)

Source: FRED

Global euro moment…or not

Dollar against Yen and Euro since Trump's inauguration (base=100)



Source: Bloomberg L.P

But I have a first class degree

Source: Gemini

Positioning remains defensive with a focus on inflation protection

Geopolitical tensions

Recent shocks in energy markets have increased **market volatility** and the risk of global **stagflation**

Ample **managed liquidity reserve.**

Macroeconomic imbalances

Elevated debt levels, deficit spending, and low household savings have led to **persistent inflation** and **steep yield curves**

Emphasis on **short-duration inflation-linked bonds.**

Equity valuations

US equity valuations appear stretched against a deteriorating backdrop, increasing the risk of a correction

Constrained allocation to **risk assets.**

Past performance is not indicative of future results.

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