

CG Asset Management

Capital Gearing Trust

November 2026

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Capital Gearing Trust

Overview

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Capital Gearing Trust Overview

Investment Objective

The objective of Capital Gearing Trust is to preserve and, over time, grow shareholders' real wealth. This is achieved by:

- Allocating flexibly across a wide range of asset classes
- Actively managing the portfolio with a long-term, benchmark unconstrained approach
- Avoiding large losses and limiting volatility

Portfolio Construction

To achieve its objective, the Company follows a flexible multi-asset strategy built around three core components:

- Risk Assets - Listed investment trusts, ETFs and property companies, providing long-term growth potential
- Inflation-Linked Bonds - Government bonds that protect against inflation and support capital preservation
- Managed Liquidity Reserve - Cash and short-dated bonds that provide liquidity and optionality in uncertain markets

What makes us different

Consistent real returns

Since 1982, CGT has grown investors' wealth ahead of inflation in the vast majority of years, with a focus on avoiding losses

Unique specialist approach

We specialise in investment trusts and inflation-linked bonds - buying at discounts and actively managing inflation and interest rate exposure

Active, low-cost and aligned

We are active investors, working to protect and enhance shareholder value, with a simple, low-cost structure that ensures more returns are retained

Fees & Structure

- Size: £809m
- Management Fee: 0.41%[1] | Ongoing Charge Figure: 0.58%
- FTSE 250 Listed Investment Trust with a 44-year track record
- Discount Control Mechanism: The Company aims to purchase or issue shares to ensure that, under normal market conditions, the share price closely tracks the underlying Net Asset Value per share
- Maintaining a simple, low-cost structure with no gearing or short selling

1. Tiered fee structure, marginal rate is 0.3% above £500m

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CG Asset Management Overview

2001 *Founded*	Founded in 2001 by Peter Spiller, former Chief Investment Officer and Chief Strategist of Cazenove
£2.1bn *AUM*	£2.1bn in assets under management
2 *Strategies*	Manages two strategies, absolute return and real return, across six funds
10 *Employees*	Team of 10, based in London
301x *Return*	Capital Gearing Trust ("CGT") has returned 301x since 1982, with only two down years
2 *Down Years*	Low-cost offering, with fee reductions regularly reviewed

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CGAM in partnership with our clients

What makes us different?	What does that mean for our clients?
The firm's founding principles 	1. The client comes first 2. Don't be greedy 3. Have fun In turn these principles mean that: • We have and will close funds to **protect investors** • We continuously strive to **lower fees**, even on closed funds
Employee owned 	• Majority owned by an Employee Ownership Trust, which means we will remain independent • All portfolio managers are significant shareholders in CGAM
The right incentives 	• A significant majority of our own capital is invested in our funds • Our interests are directly aligned with those of our clients

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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	GB00BT66KP92	1982[1]	£809m	Listed	0.41%[3]	0.58%
	CG Absolute Return (EUR Hedged, USD Hedged available)	IE00BYQ69B30	2016	£559m	Daily	0.35%	0.50%
	Capital Gearing Portfolio (P,V shares)	IE00BG5Q6F12	2001	£200m	Daily	0.75%	0.89%
Real Return Long only investments in inflation-linked bonds	CG Real Return Fund (GBP Hedged available)	IE0034304117	2004	£148m	Daily	0.30% / 0.20%[4]	0.45%
	CG Dollar Fund (GBP Hedged, EUR Hedged and USD Unhedged available)	IE00B41GP767	2009	£351m	Daily	0.25% / 0.15%[5]	0.40%
	CG UK Index-Linked Bond Fund	IE000ZSVG218	2023	£11m	Daily	0.15%	0.27%

[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 2026

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CGAM Team

Investments



Peter Spiller
Co - Chief Investment Officer



Chris Clothier
Co - Chief Investment Officer



Emma Moriarty
Fund Manager



Hassan Raza, CFA
Portfolio Manager



Jock Henderson
Investment Analyst

Corporate Leadership



Alastair Laing
Chief Executive Officer



Chris Taylor
Chief Risk and Compliance Officer



Katie Forbes
Head of Investor Relations



Finn
Chief Morale Officer

Operations



Jason Barlow
Head of Investment Operations

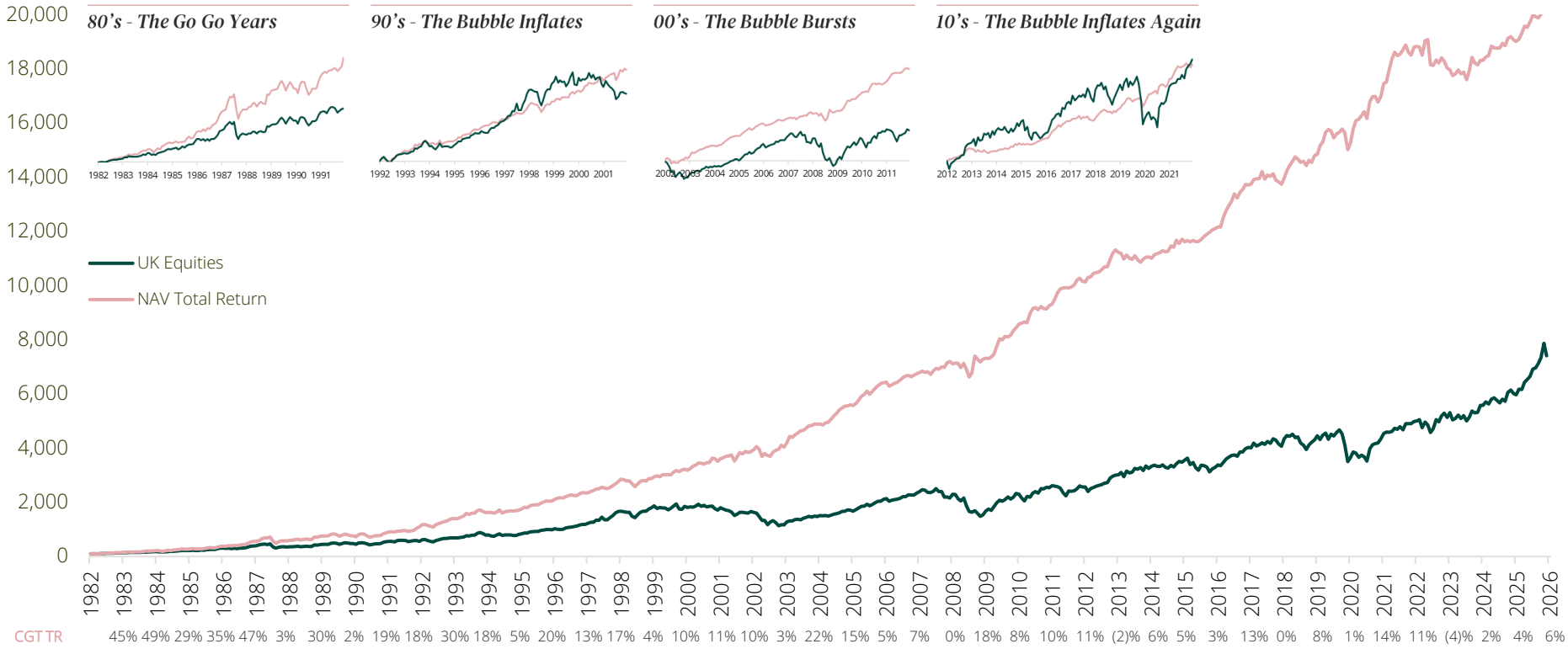


Prath Ketheeswaran
Data Engineer

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Since 1982 the CGT share price total return has been >301x[1]

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

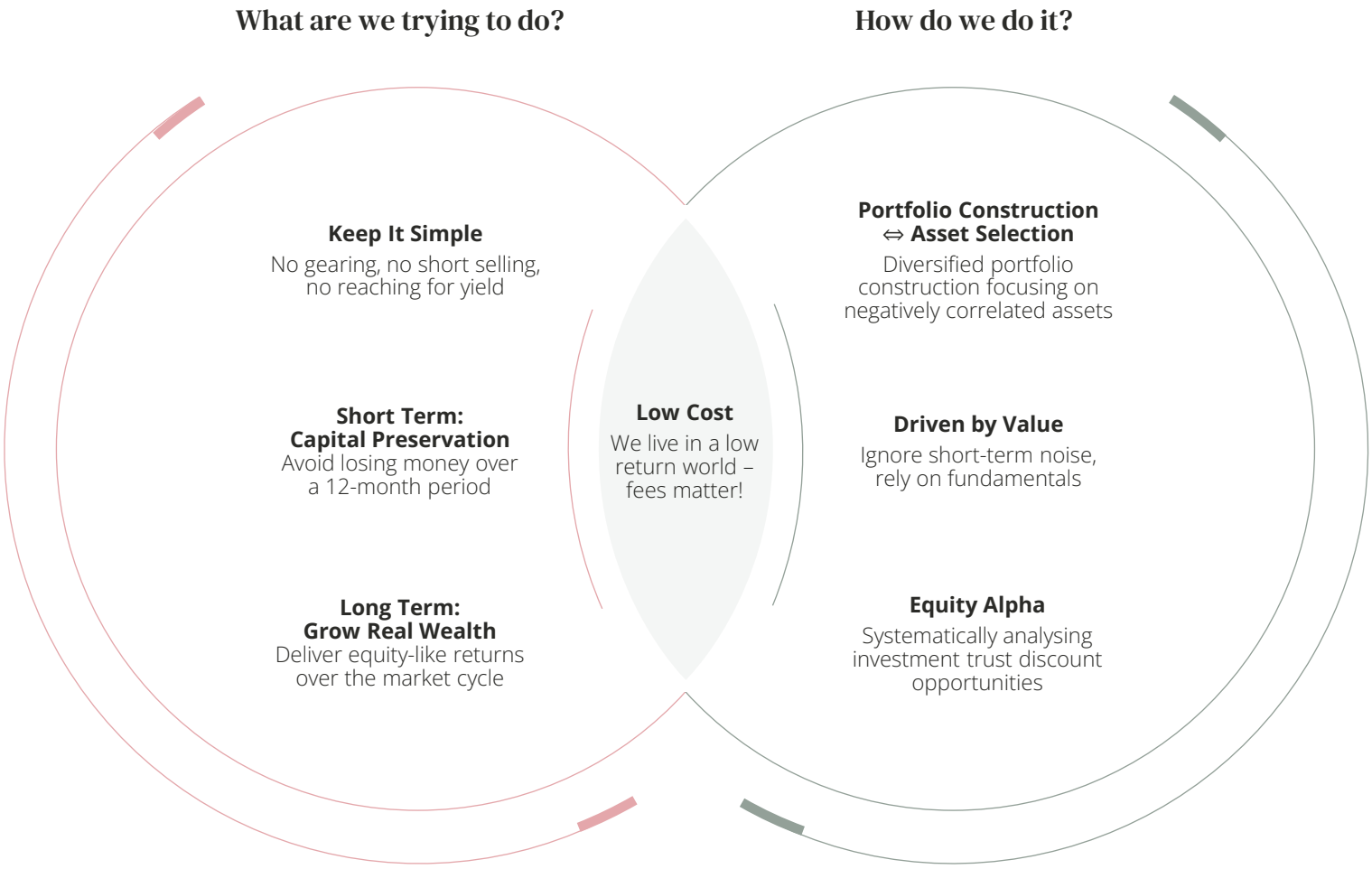
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Investment Process

Capital Gearing Trust

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Principles



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5 inputs drive our asset allocation, underpinned by a focus on duration

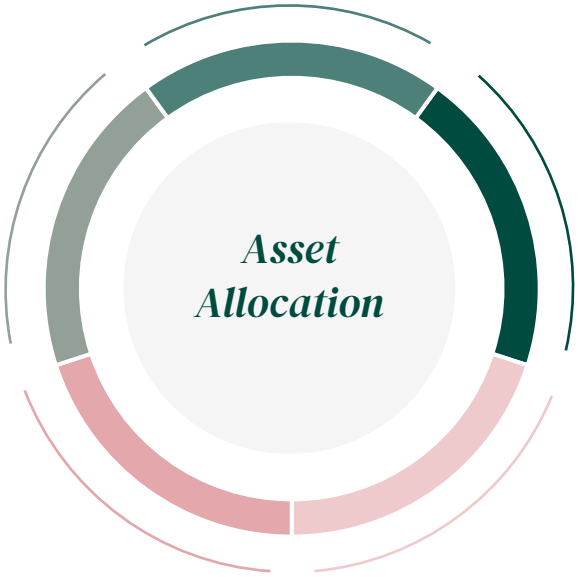
Valuations

All major asset classes

Absolute / Relative / Relative to own history

Investor Behaviour

Degree of risk taking / speculative behaviours



Core Macroeconomic Beliefs

Guiding long-term asset allocation

Monetary Environment

Degree to which monetary backdrop is supportive of or threatening to asset prices

Business Cycle

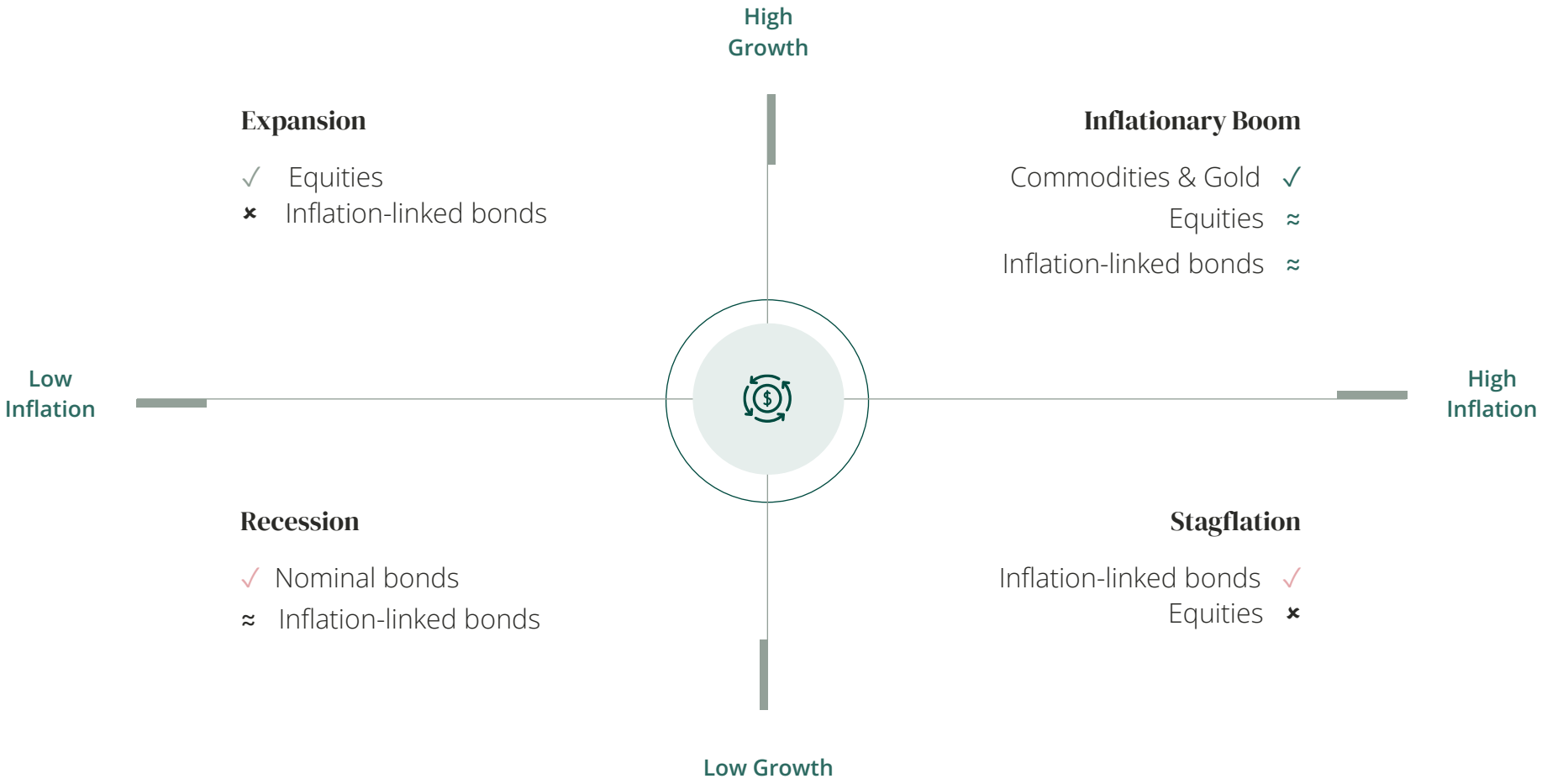
Responding to changing inflation and growth environment

Duration

Keep duration short where values are poor and vice versa

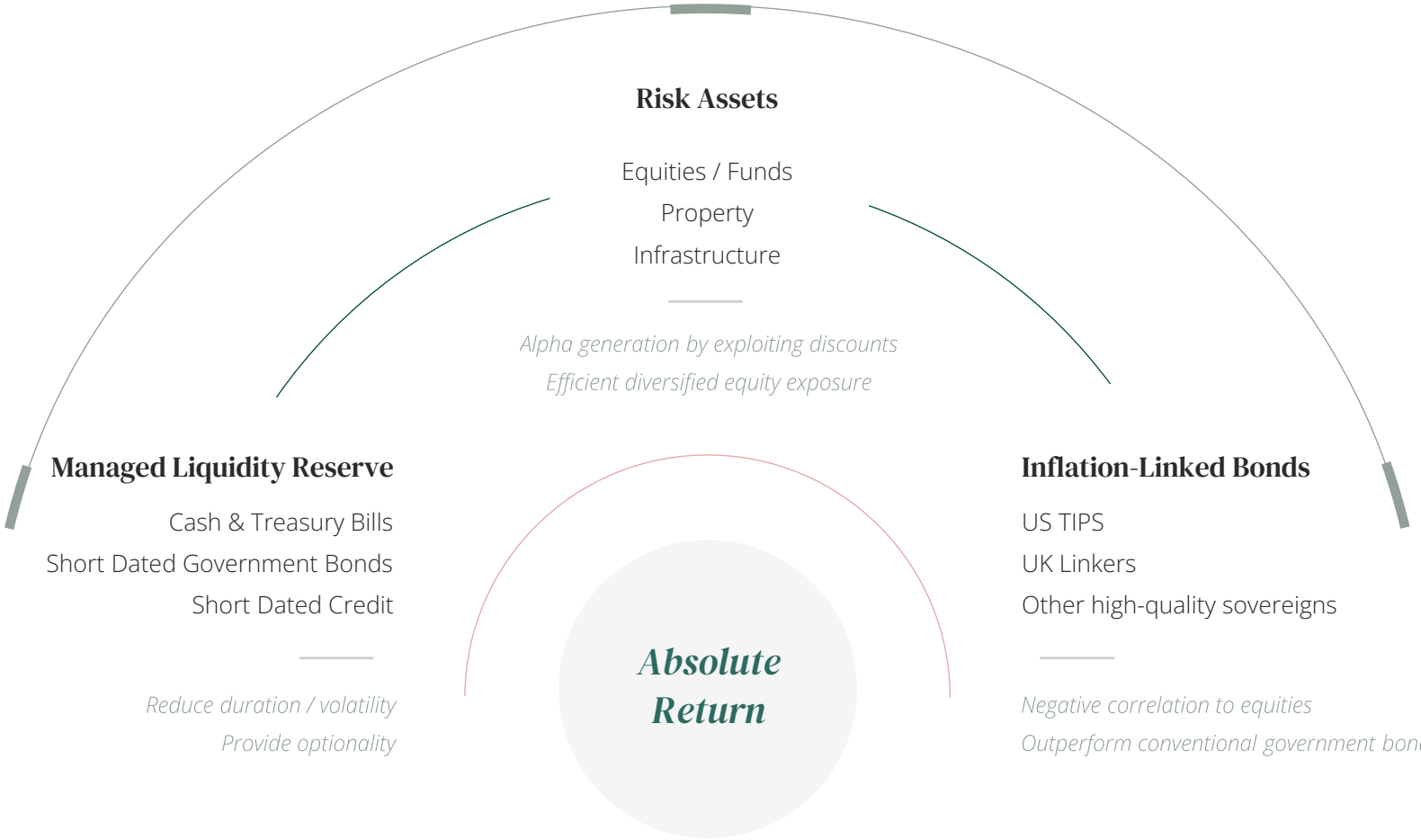
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Dynamic asset allocation that responds to the business cycle



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3 Core Asset Allocation Pillars



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Inflation-linked bonds are a fundamental component of a diversified portfolio

Inflation as greatest risk to investor wealth

Against which equities are only a partial hedge.

Significant risk of inflation persistence

The historical record does not support a swift return to the target.

Historic outperformance vs nominal bonds

Such outperformance is likely to persist into the future.

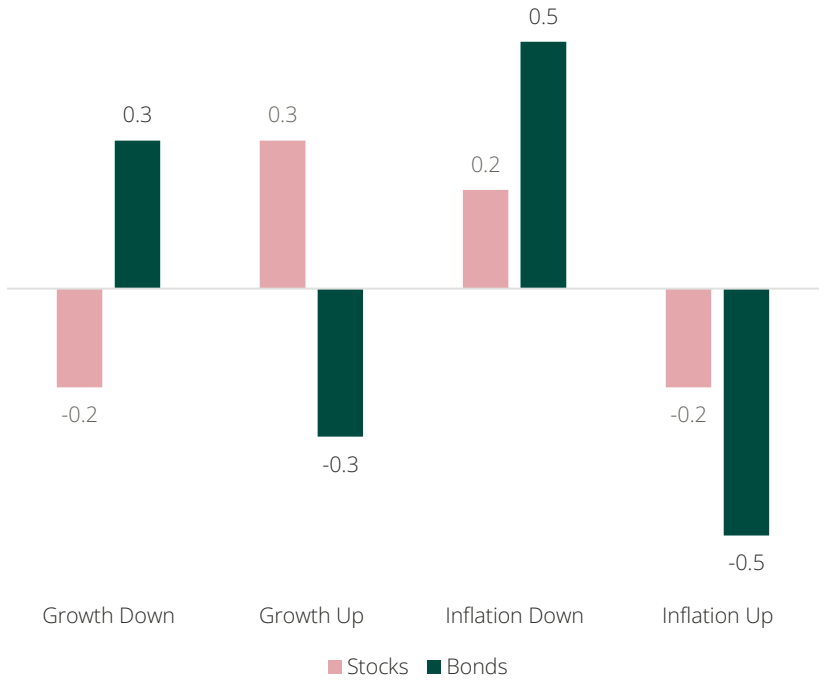
Inflation-linked bonds perform well when equities do not

The negative stock-bond correlation breaks down in times of high inflation. Inflation-linked are a more reliable hedge.

Protection against financial repression

Only asset that we believe is likely to deliver protection.

Sharpe Ratio Differentials by Macroeconomic Environment (1972 – 2022)



Source: Journal of Portfolio Management 49:4 March 2023.

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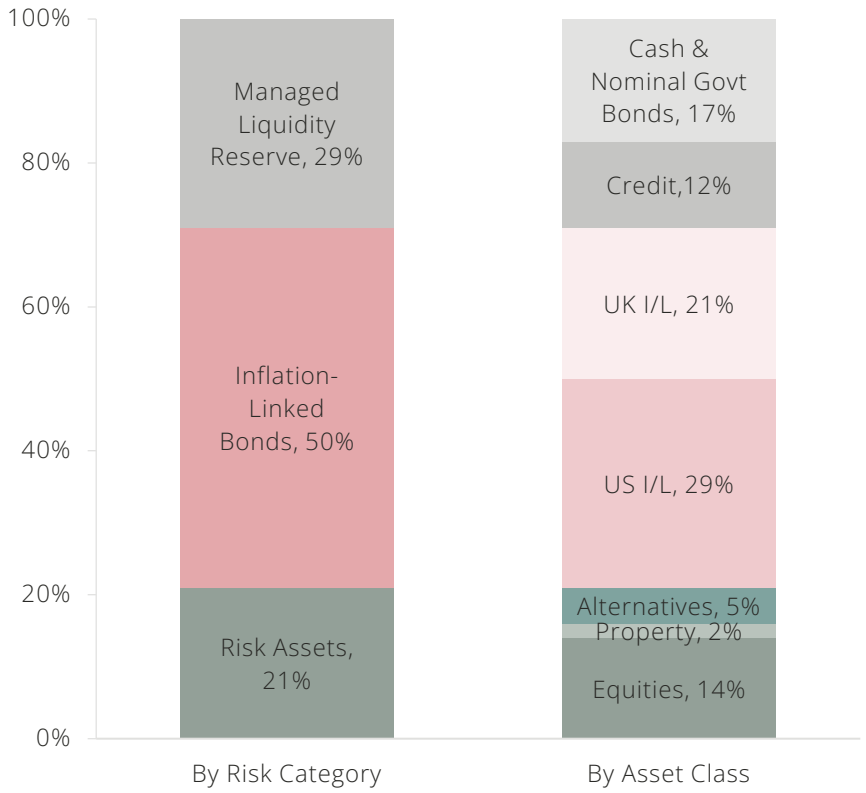
Capital Gearing Trust

Positioning and Returns

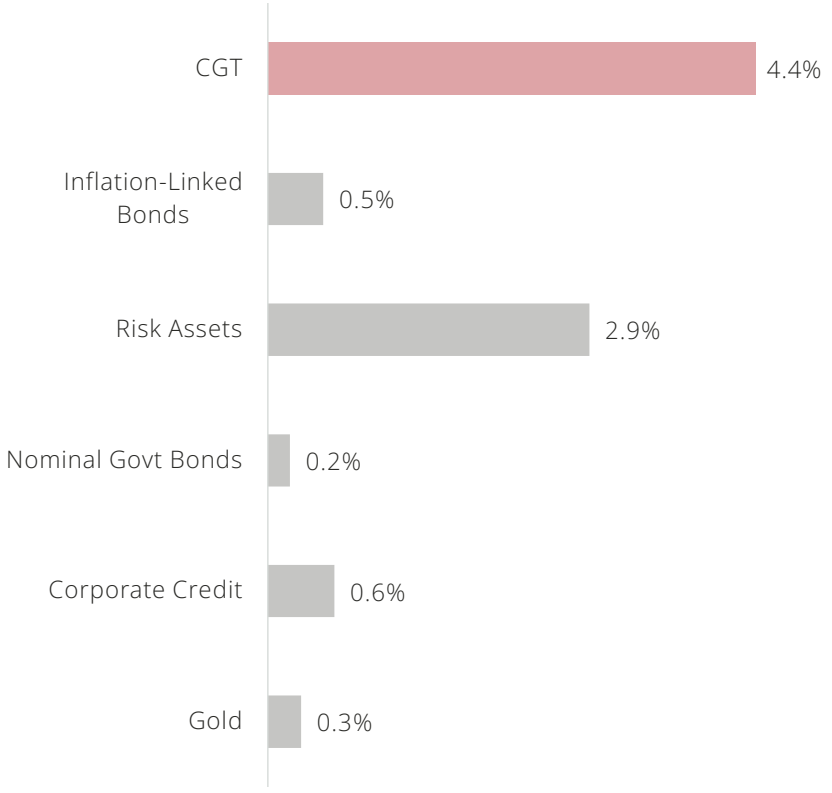
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The portfolio has continued to perform ahead of inflation

CGT Asset Allocation October 2026



Contribution by Asset Class LTM



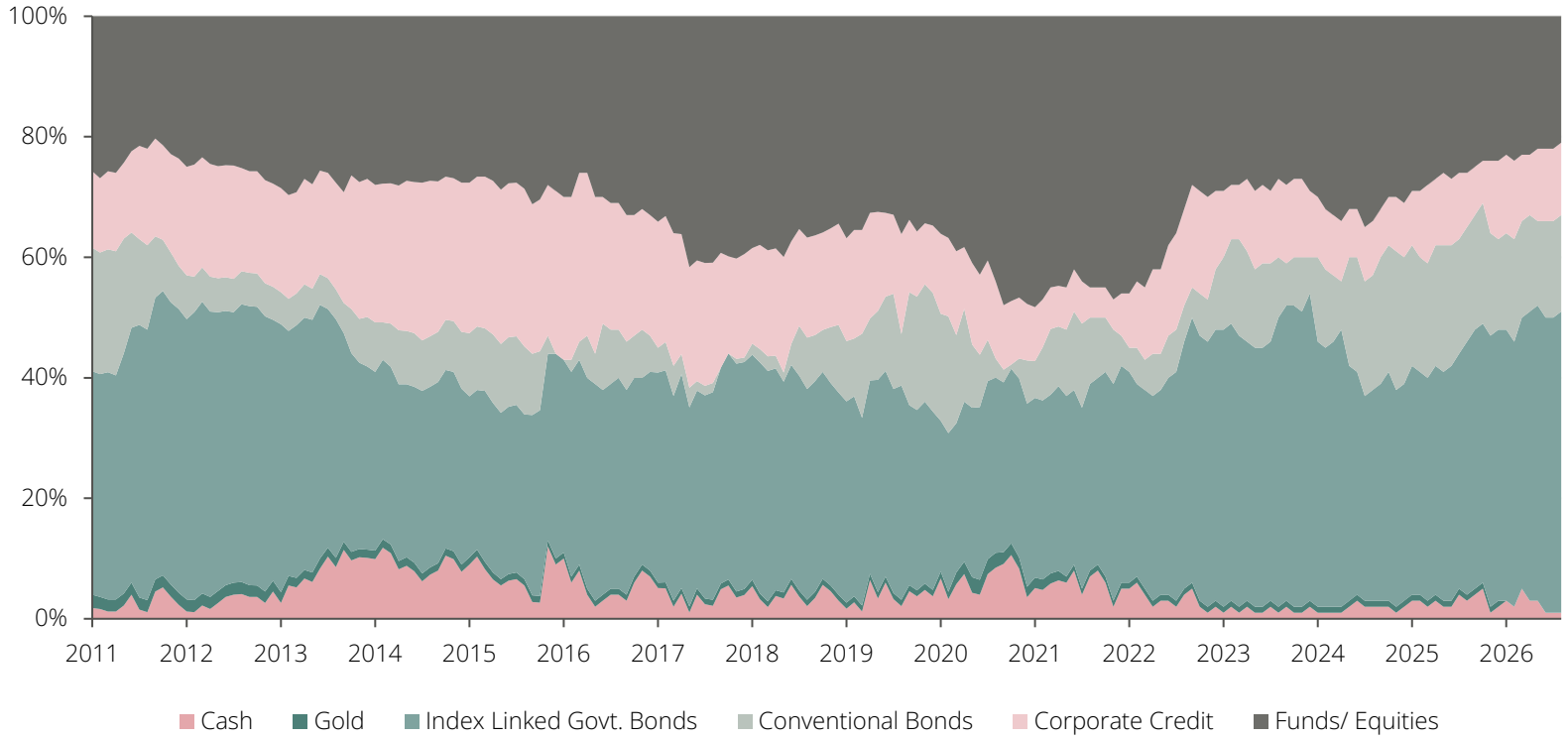
NAV performance net of fees
Source: CGAM, Bloomberg Finance L.P., Northern Trust

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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 2026

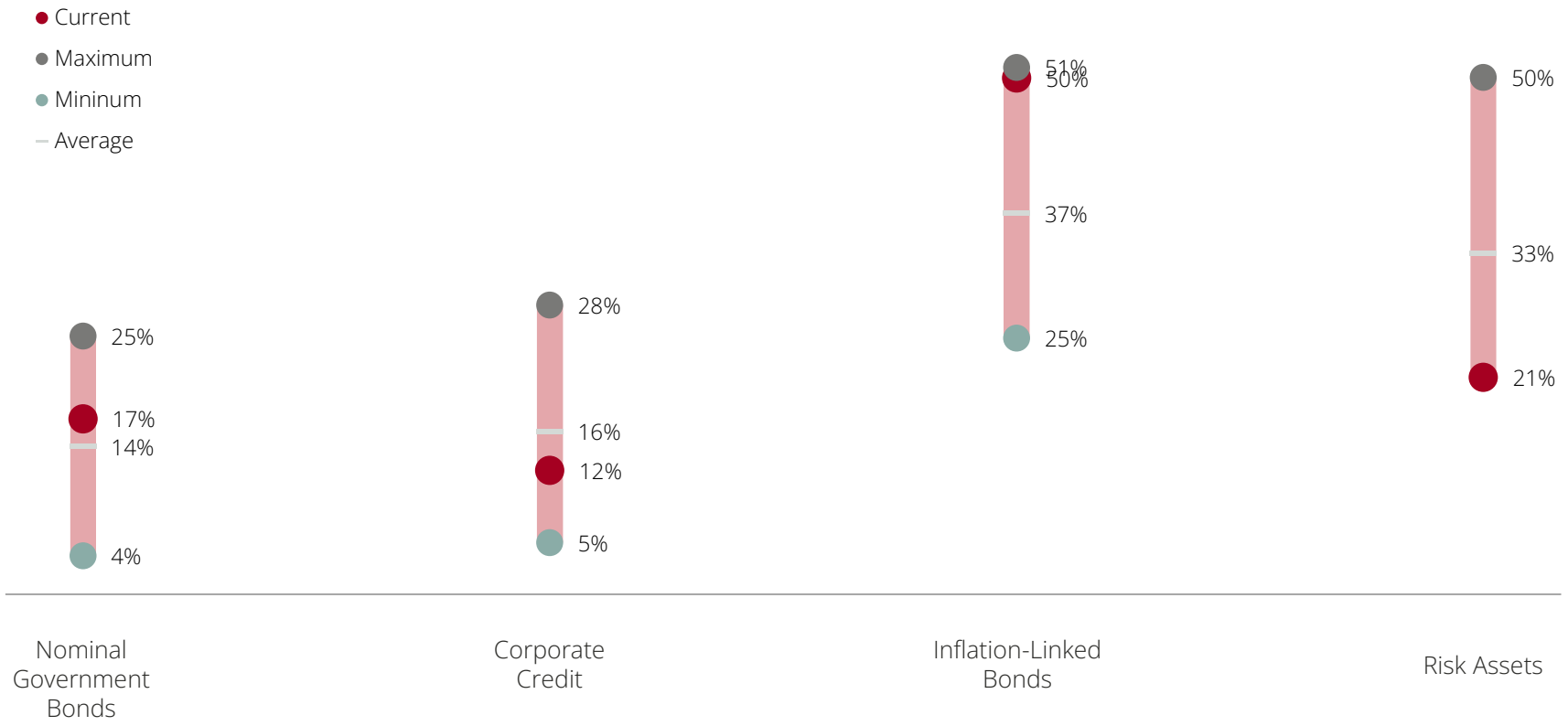


Source: CGAM, Bloomberg Finance L.P., Northern Trust.

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Positioning is defensive relative to history, owing to concerns around the outlook for government debt and stretched equity valuations

CGT Asset Allocation: 2011-2026

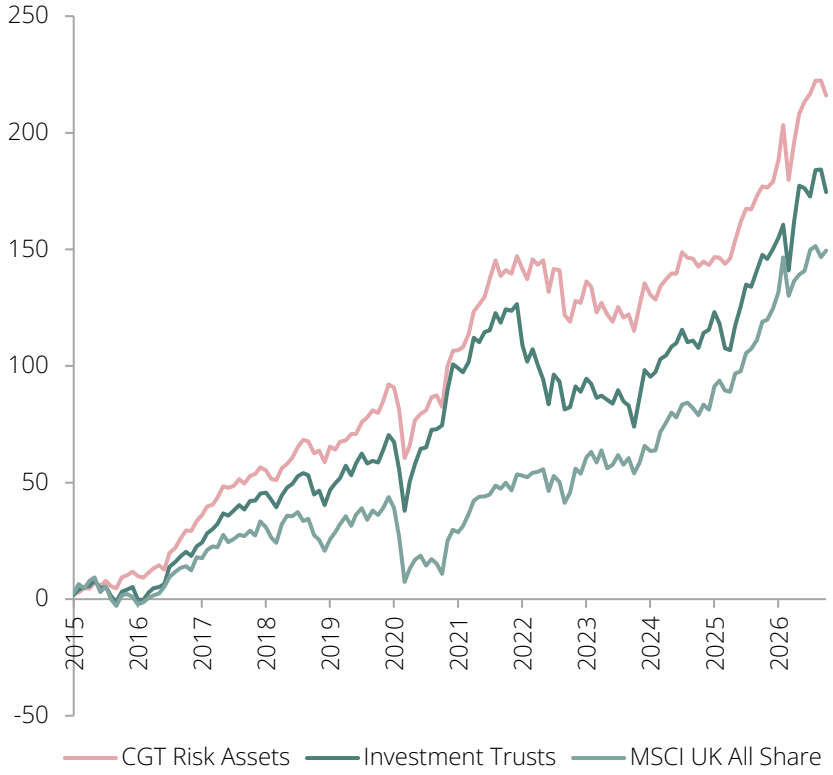


Source: CGAM, Bloomberg Finance L.P., Northern Trust, Enfusion

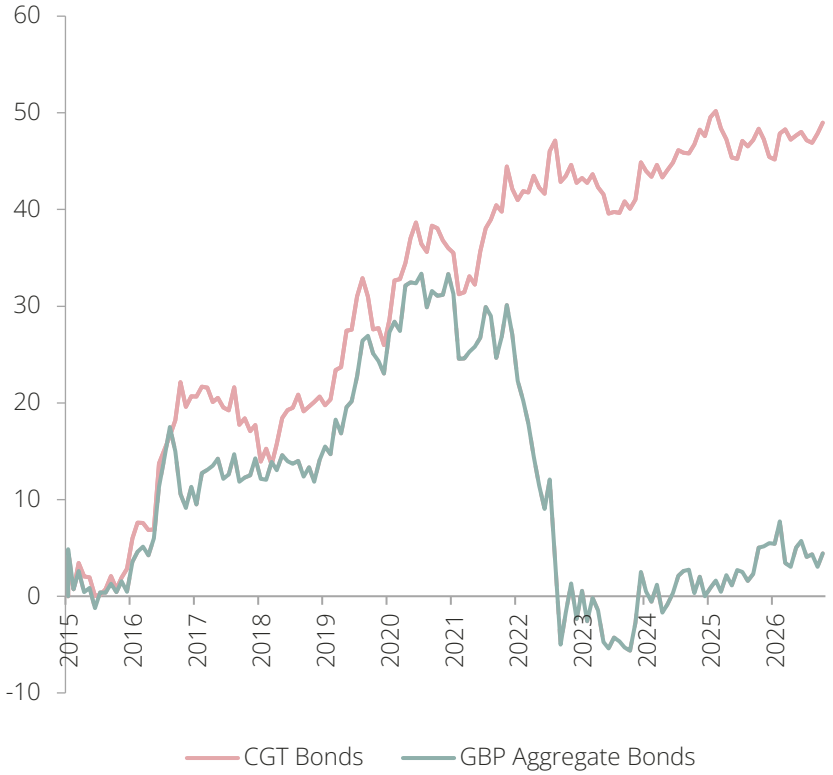
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Both equity and bond portfolios have contributed to outperformance

CGT Risk Assets Returns Performance to October 2026[1]



CGT Bonds Only Returns Performance to October 2026[1]

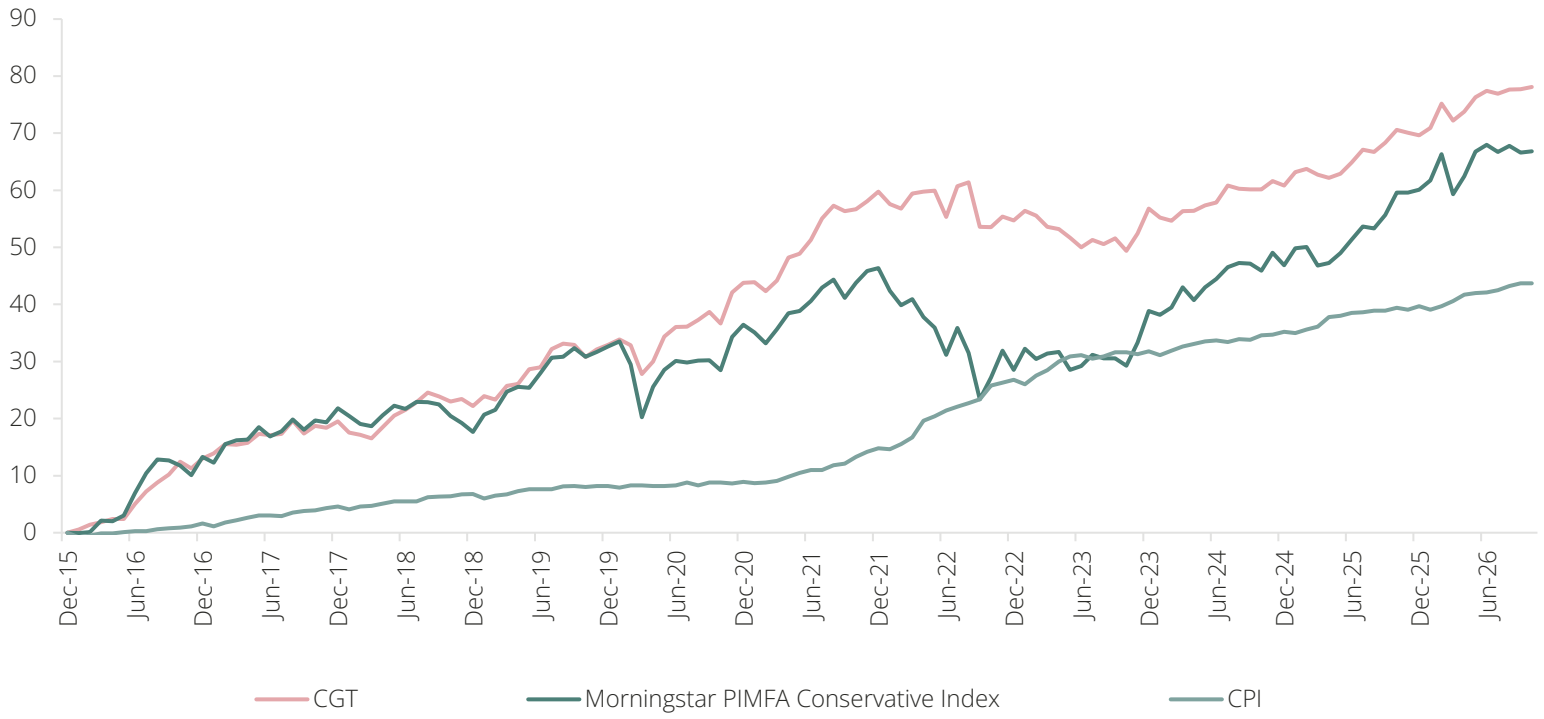


1.Risk Assets include equities, property, alternatives and gold. Bonds include credit and sovereign bonds (excluding T-Bills and cash), start period reflects the longest period available for CGT under Bloomberg AIM
Source: Bloomberg Finance L.P., Northern Trust

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CGT has outperformed comparators on an absolute and risk adjusted basis

CGT vs. Comparators: Total Returns to October 2026[1]

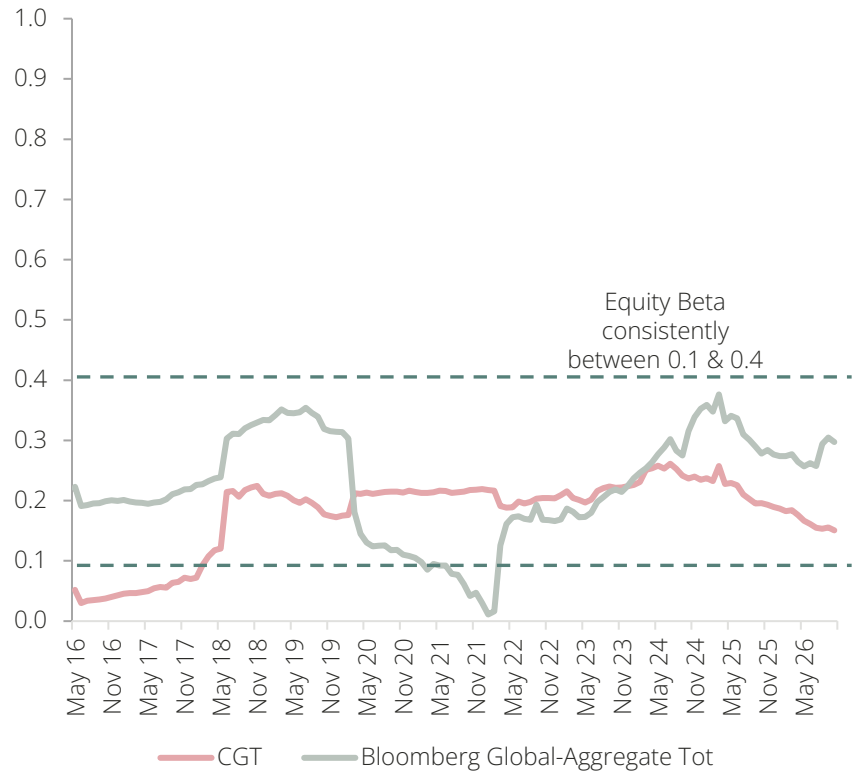


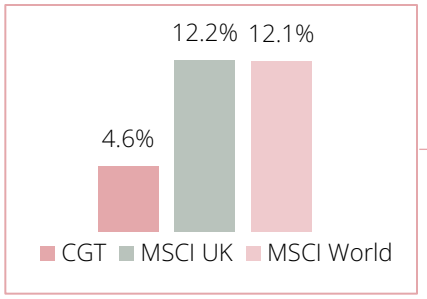
1. *The Morningstar PIMFA Private Investor (Conservative Index) aims to represent the investment strategy of a UK private client adopting a conservative approach to their investment*
Source: Bloomberg Finance L.P., Northern Trust

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

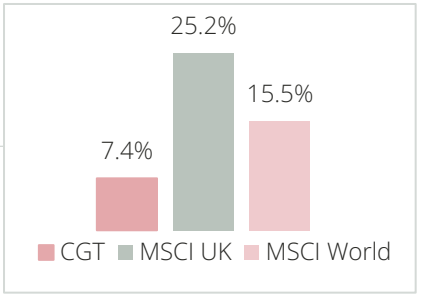
Sharpe Ratio & Volatility (%) vs. Major Indices

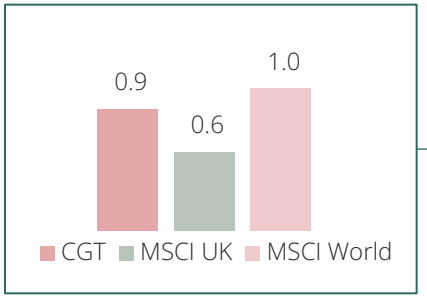




Volatility

Drawdown





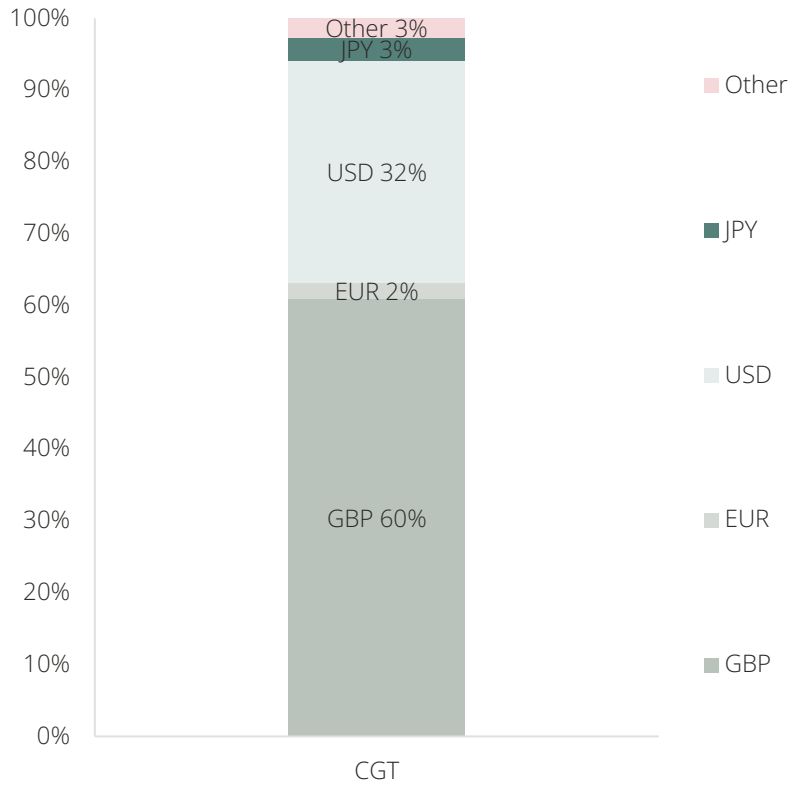
Sharpe Ratio

Source: Bloomberg Finance L.P, risk statistics per Bloomberg standard definitions

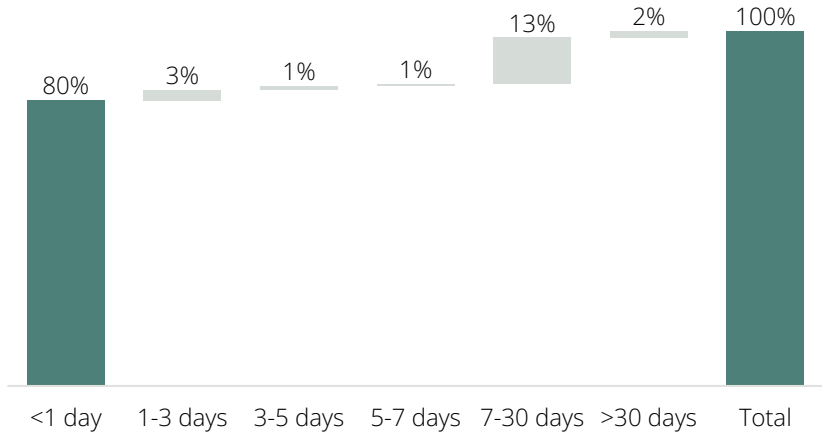
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Duration, currency and liquidity are actively managed

Currency Exposure[1]



Time to Liquidation (days)[2]



Duration and Yield[3]

	Weight	Duration (Yrs)	Yield (%)	Rating[4]
Cash & Nominal Govt Bonds	17%	1.9	4.3	A+
UK I/L Bonds	21%	4.6	1.2 (real - RPI)	AA
US I/L Bonds	29%	4.6	2.3 (real - CPI)	AA
Corp. Bonds	12%	2.8	5.9	A/A-
Risk Assets (HY Credit)	<1%	0.3	6.7	BB-
Risk Assets (Div Yield Equity)	20%	n.a.	4.8	n.a.
CGT	100%	3.4		

1. *Currency exposure is estimated using Bloomberg,*
2. *Assumes 25% average daily volume participation rate, % rounded to the nearest whole number*
3. *Duration refers to Option Adjusted Duration, Yield refers to the nominal yield, real yield is shown for inflation-linked bonds. We display the 6-month UK Treasury Bill yield as a conservative representation of the yield of our Cash & Tbills bucket*
4. *Ratings are sourced from Bloomberg and Moody's.*

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Top Equity and Bond Holdings

Top 10 Equity Holdings

Asset	Weight
Vanguard FTSE 100 ETF	3.3%
North Atlantic Small Companies	2.2%
UBS MSCI World ETF	2.1%
JPMorgan Japan ETF	1.6%
HICL Infrastructure	1.2%
International Public Partnership	1.2%
3I Infrastructure	0.9%
TR Property Investment Trust	0.7%
GCP Infrastructure Investments	0.6%
Pershing Square Holdings	0.4%
	14.2%

Top 10 Bond Holdings

Asset	Weight
UKTI 0.125% 10/08/31	8.7%
US I/L 0.125% 15/01/31	7.7%
US I/L 0.125% 15/07/30	6.2%
US I/L 0.125% 15/01/32	6.0%
UKTI 0.75% 22/11/33	5.2%
US I/L 0.125% 15/07/31	4.9%
UKTI 0.125% 22/03/29	4.9%
US I/L 1.75% 15/01/34	3.0%
UKTB 4.625% 22/05/30	2.6%
JGB 1.30% 01/02/28	2.5%
	51.7%

Source: CGAM, Northern Trust.

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Capital Gearing Trust

Considerations Within Our Investment Approach

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Considerations for individual asset classes

1. Direct Government Securities

The majority of the assets held by the funds are invested in direct holdings of securities issues by governments including bonds, bills and cash.

When investing, we consider indices compiled by a range of NGOs and require sovereigns, at a minimum, to achieve strong rankings in at least four out of five of these criteria. In addition to using third party indices, we also overlay our own subjective assessments which typically leads to material additional exclusions.

As we manage funds that invest exclusively in US and UK bonds respectively these jurisdictions will always be included but other sovereigns are subject to these exclusion criteria.

Index	Criteria
World Bank governance effectiveness index	Top quartile
World press freedom index	Good or satisfactory
Global freedom score	Free rating
UN human development index	Very high human development rank
Net zero by 2020 statement	Statement of intent by 2050 or earlier

2. Direct Corporate Credit and Preference Shares

The funds hold small quantities of direct credit and preference share holdings issues by corporate issuers. Given our small participation in the market and therefore limited influence, our primary approach is to exclude corporate issuers who are primarily engaged in the following activities:

Exclusion Area	Exclusion sub-Area	Threshold
Controversial weapons	Anti-personnel mines, cluster munitions, chemical weapons	0%
Tobacco	Manufacture or marketing	<5%
Thermal Coal	Coal mining or coal-based energy production	<5%
Oil sands or arctic drilling	Production	<5%
Gambling	Services	<5%
Adult entertainment	Production or broadcasting	<5%
Firearms	Manufacture	<5%
Predatory lending	Services	<5%

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Considerations for individual asset classes

3. Listed Closed-Ended Funds, Investment Trust, REITs and Property Companies

CGAM has a long history of active engagement in the London market for listed closed ended funds and other collective investment companies including REITs. In this priority area for engagement, we seek to achieve positive transition so do not employ systematic exclusions.

Listed investment companies are fundamentally different to operating companies and typically have the following features:

- They hold a broad portfolio of securities on behalf of their shareholders;
- External investment managers rather than executive management teams;
- No employees or customers; and
- Have a board of directors to represent shareholder interests and concerns.

Given the prominent role that directors play in investment companies, CGAM frequently undertakes activities that aim to influence boards and ultimately improve governance. The techniques employed vary based on the specific scenario but include those listed here (see box).

As well as engagement in the sector, CGAM places particular importance on providing primary capital to high impact investment companies and a number of our holdings have a positive environmental or social focus. In our assessment, by providing primary capital, via IPO sponsorship or follow on fund raisings, investors have a greater impact than by simply trading securities in the secondary market.

Activist Engagement Technique	Frequency of Employment
Management Engagement	Continuous
Board Engagement	Continuous
Shareholder co-ordination	Frequent
Voting against significant resolutions	Frequent
Raising ESG matters in fund reporting	Frequent
Amplification through press engagement	Periodic
Replacing directors to improve governance	Periodic
Publishing open letters	Periodic
Publishing research incorporating ESG views	Periodic
Threatening to requisition meetings	Periodic

4. Exchange Traded Funds ('ETFs')

Funds advised by CGAM hold relatively small quantities of exchange traded funds. ETFs are listed collective funds which typically track an index and provide low cost, efficient access to a broad portfolios of securities. CGAM does engage directly with our approved panel of ETF providers to encourage improved stewardship standards. However our capacity for effective engagement is limited, we therefore consider exclusions where there are suitable ETFs available. Typically this is via ESG screened ETFs which is a dynamic and growing sector. The programme of identifying and conducting due diligence on these products is ongoing.

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IR@cgasset.com
+44 20 3906 1649
20 King Street, London, EC2V 8EG

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