CG Asset Management

Q2 2026 Webinar

July 2026

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Positioning and Returns

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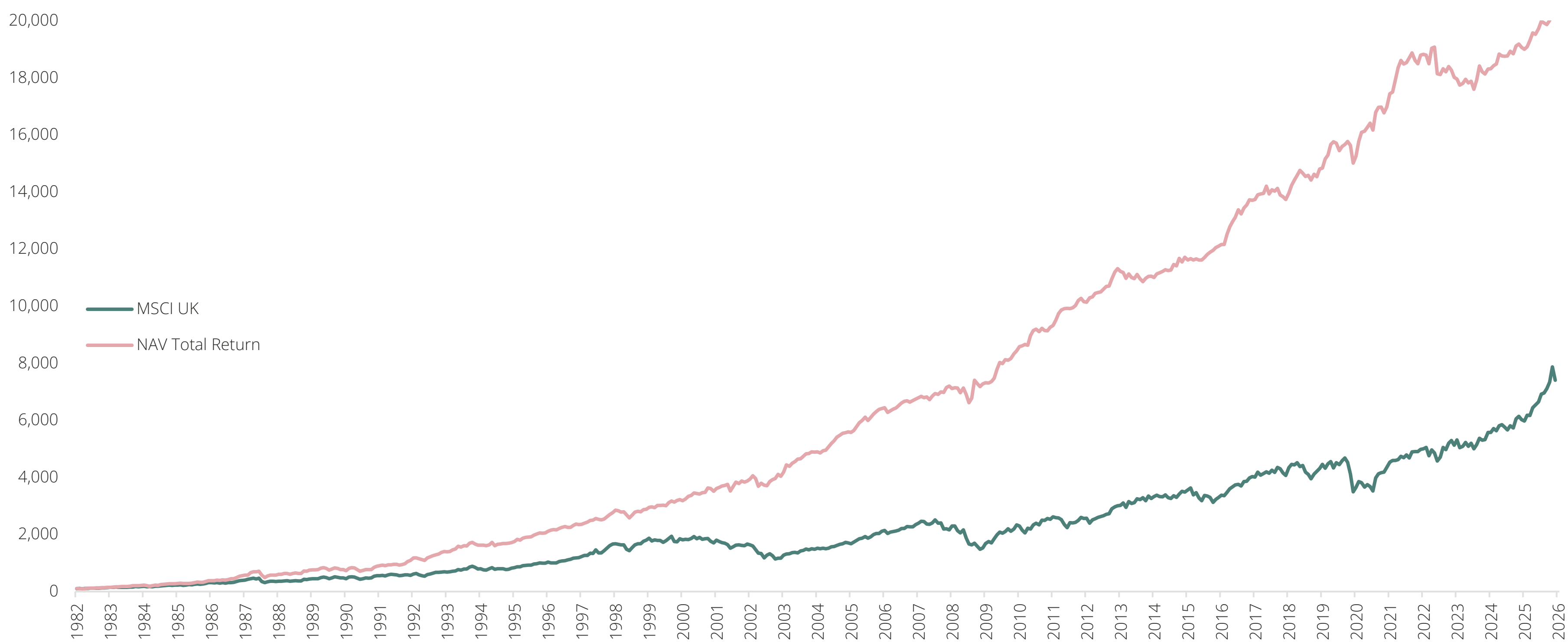
Share price appreciation from 21p to 5200p has motivated a 10-1 share split

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



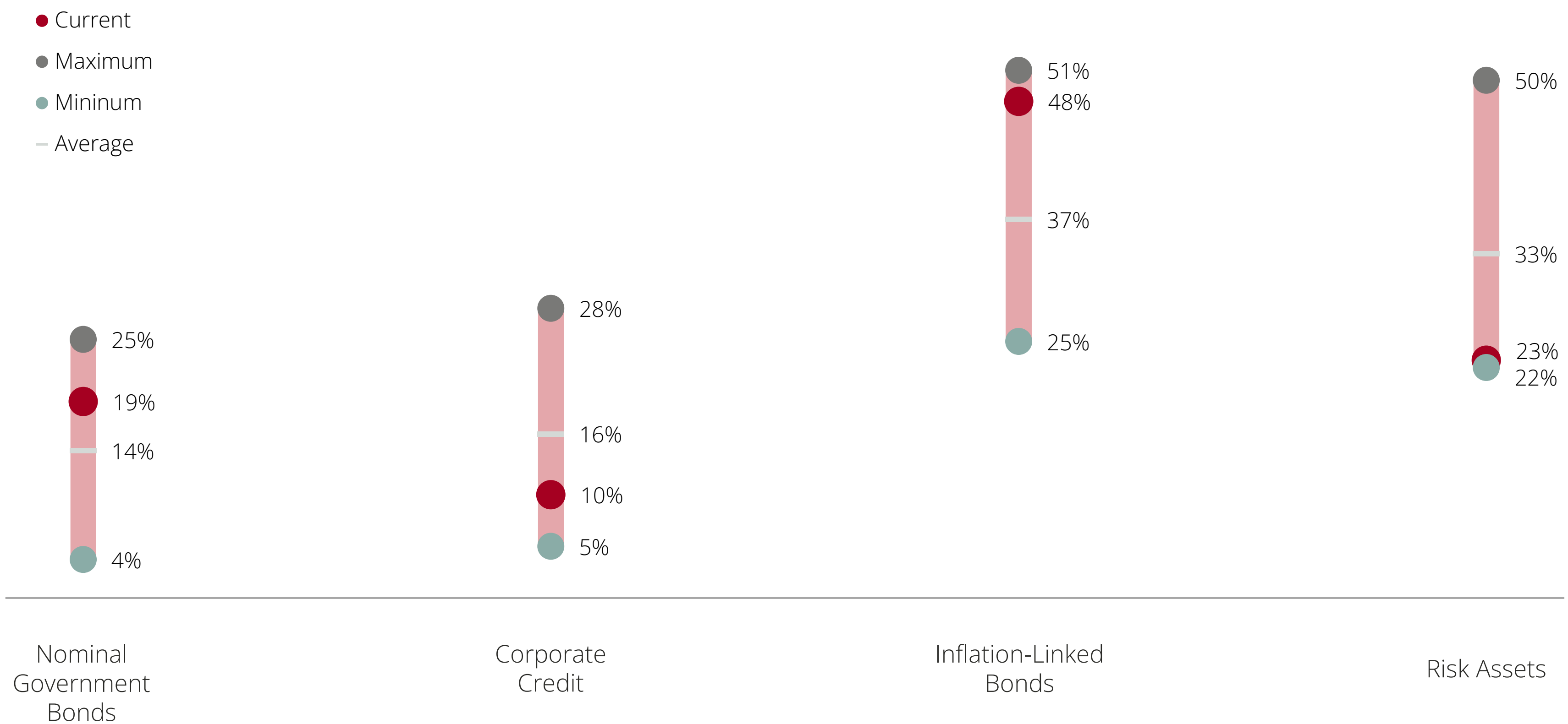
[1] *Share price terms, assumes all dividends reinvested over the period specified*
Source: Northern Trust, Morningstar

Past performance is not indicative of future results.

Schrödinger's Strait

Portfolio positioning is defensive, even relative to our own defensive history

CGT Asset Allocation: 2011-2026



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

Why? War, government debt and exuberant equity markets

Geopolitical tensions

Risks to energy 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

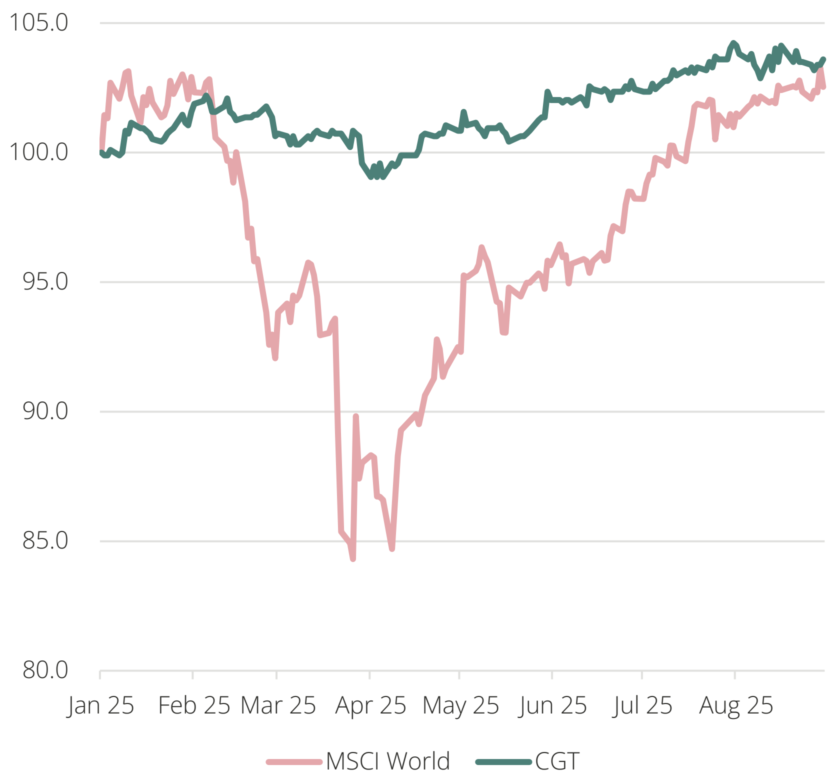
US equity valuations appear stretched against a deteriorating backdrop, increasing the risk of a correction

Constrained allocation to **risk assets.**

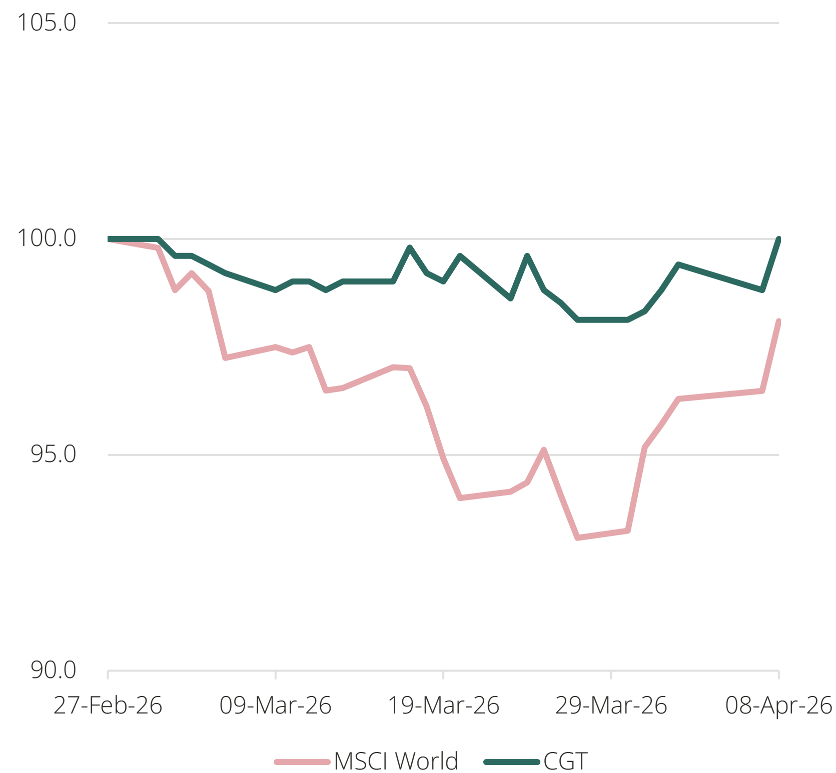
Past performance is not indicative of future results.

The portfolio proved resilient through two significant recent shocks

CGT vs. MSCI World during Liberation Day shock



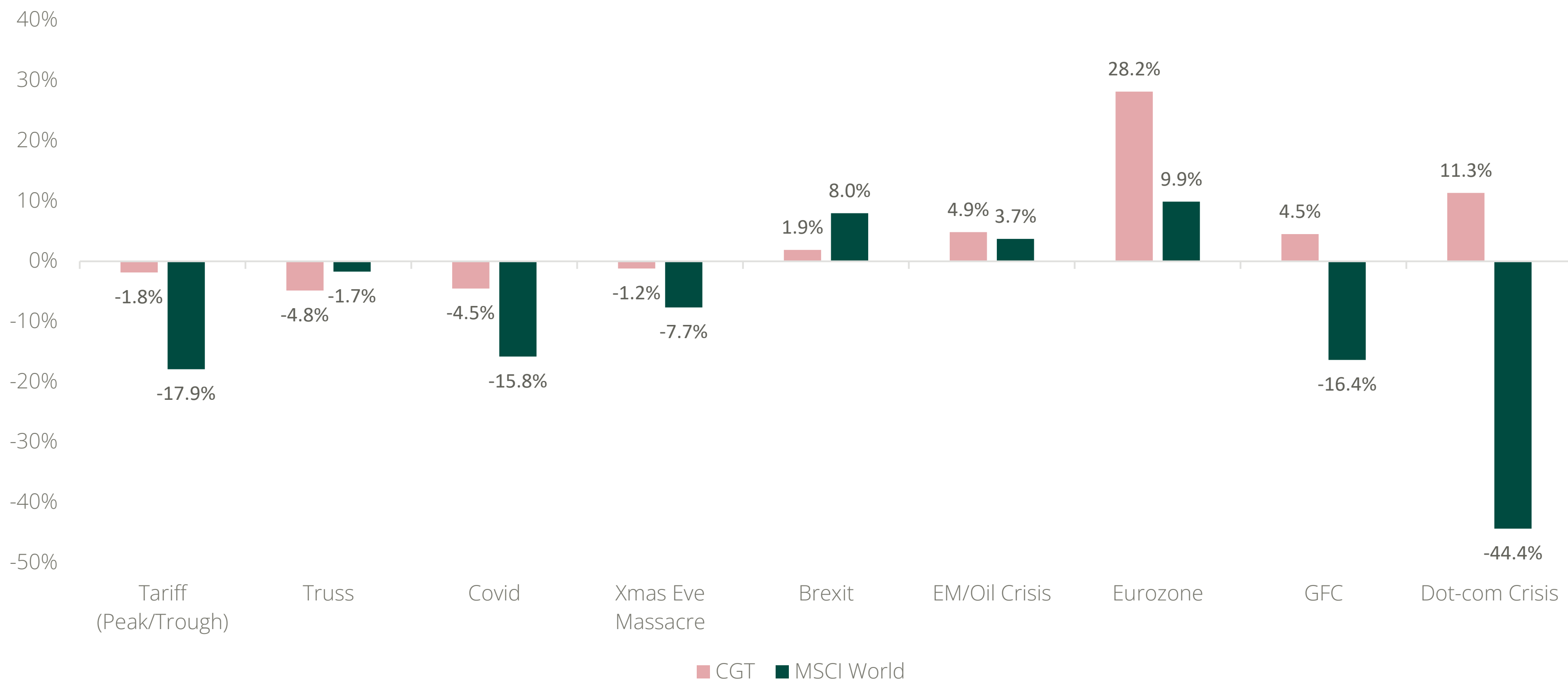
CGT vs. MSCI World during the initial Iran War shock



Sources: Bloomberg Finance L.P., Northern Trust

And has consistently outperformed during periods of stress and uncertainty

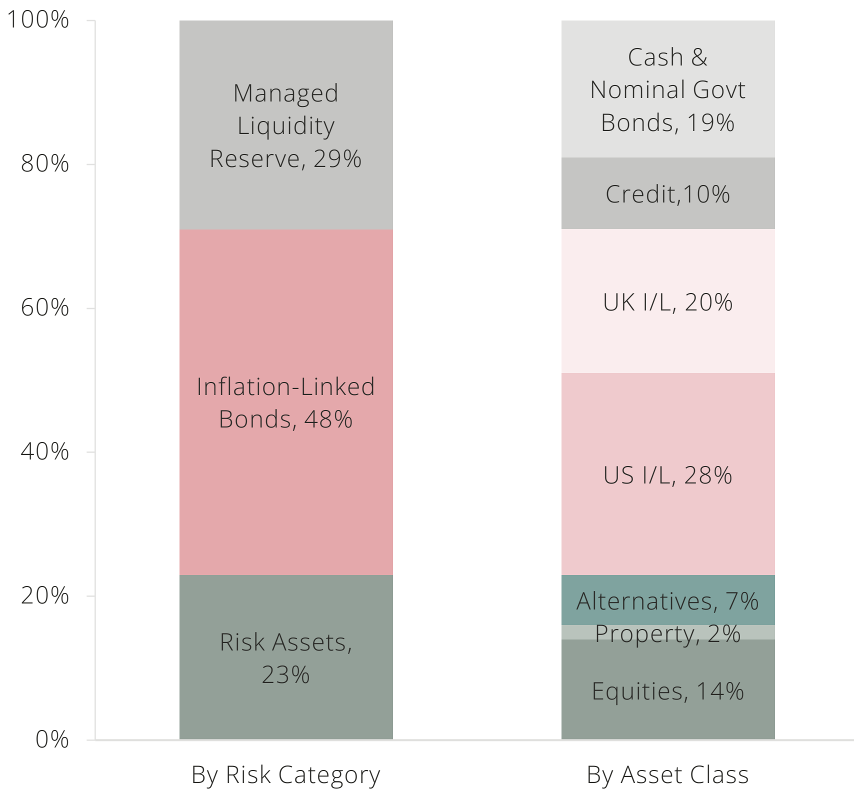
Performance of Capital Gearing Trust vs MSCI World during Crises



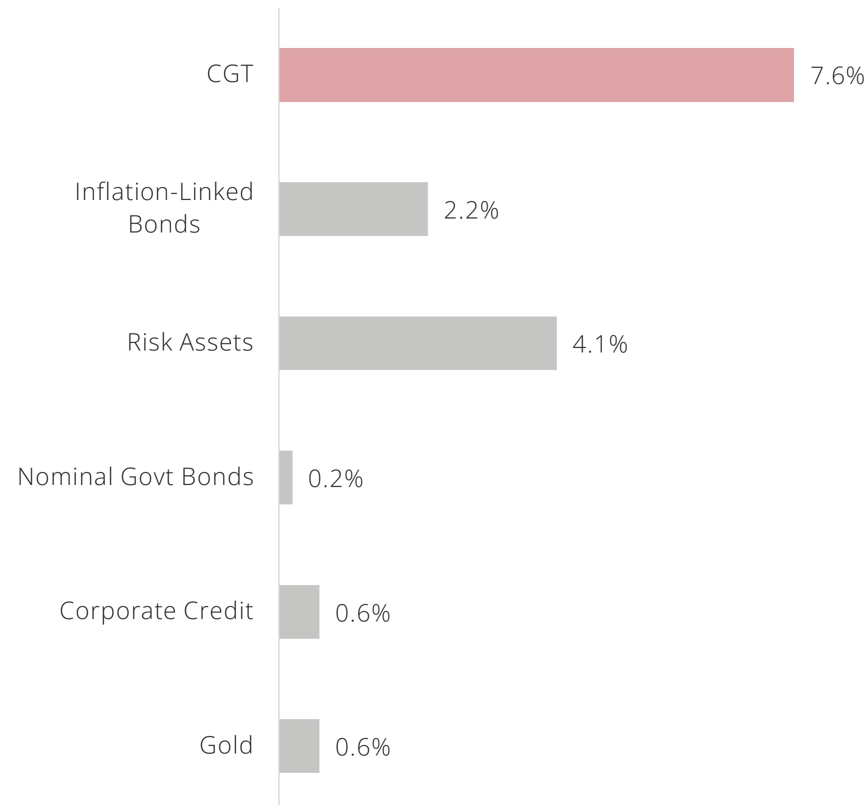
Source: Bloomberg
Tariffs 25 (18/02/25-08/04/25), Truss (31/08/22-31/10/22), Covid (31/01/20-31/03/20), Xmas (30/11/18-30/12/18), Brexit (31/05/16-30/06/16), EM/Oil Crisis (30/06/15-31/03/16), Eurozone (31/12/09-31/07/12), GFC (30/06/08-31/03/09), Dot-com Crisis (31/01/01-31/03/03).

The portfolio is defensive with a focus on inflation protected returns

CGT Asset Allocation June 2026



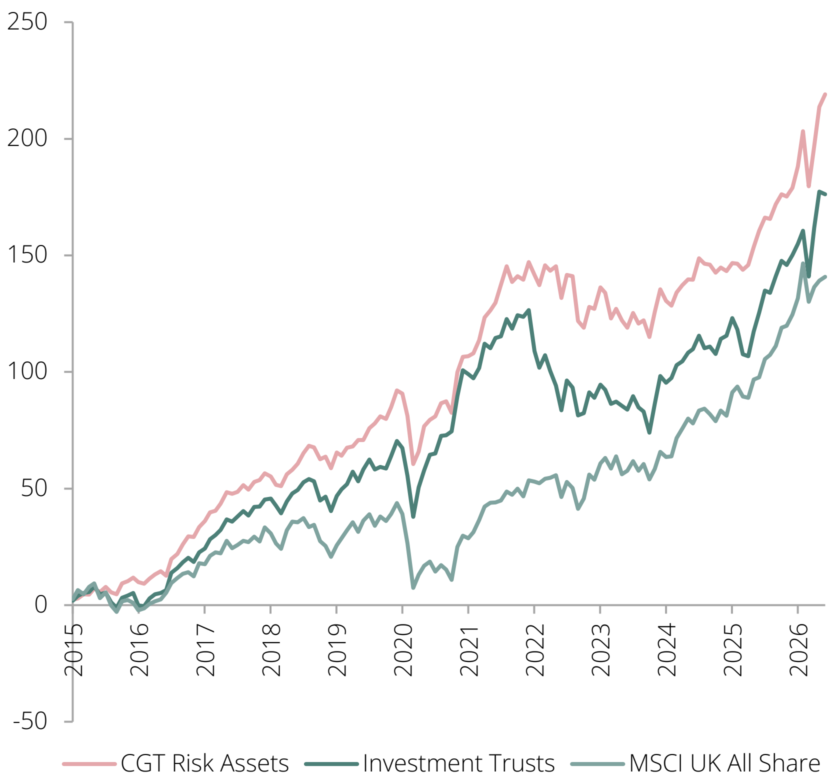
Contribution by Asset Class LTM



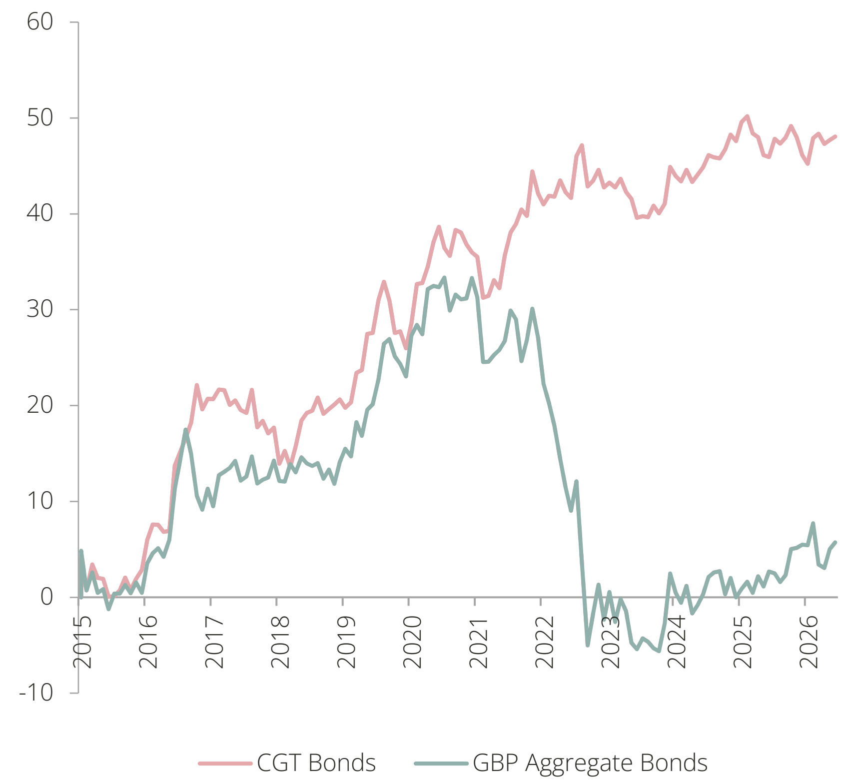
NAV performance net of fees
Source: CGAM, Bloomberg Finance L.P., Northern Trust

Both equity and bond portfolios have contributed to outperformance

CGT Risk Assets Returns Performance to June 2026[1]



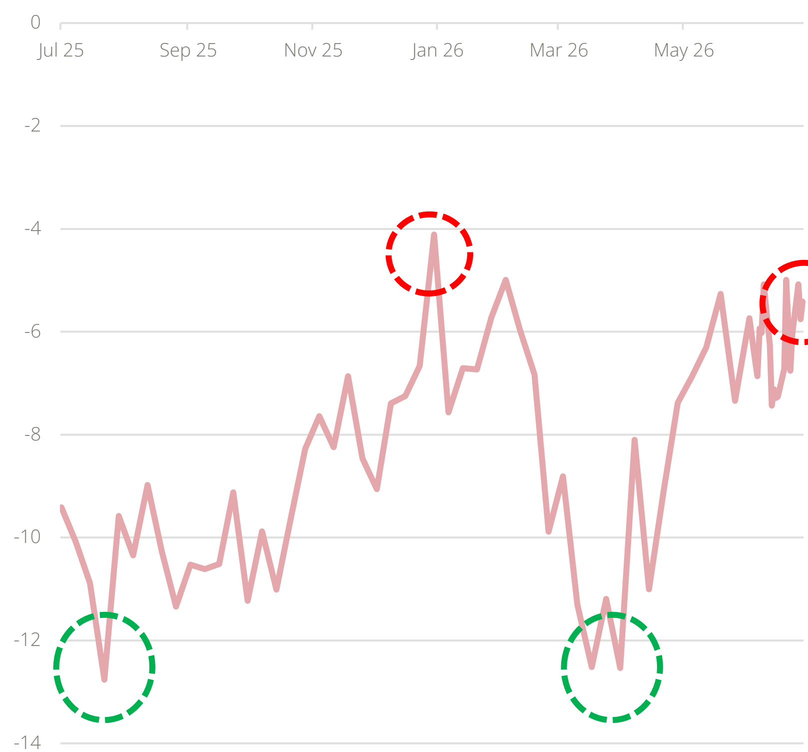
CGT Bonds Only Returns Performance to June 2026[1]



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

Equity investment trusts – what went well and what we got wrong

Schroder Japan Trust Discount LTM June 2026

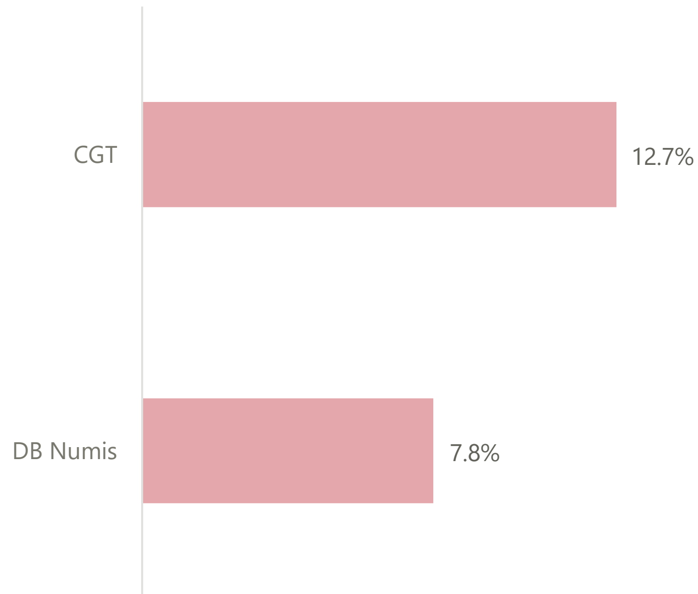


Pacific Assets Investment Trust LTM June 2026

Source: Bloomberg Finance L.P.

Alternative investment trusts – lower risk ways of playing AI themes

CGT Infrastructure performance LTM June 2026



3i Infrastructure share price LTM June 26

Source: Bloomberg Finance L.P., Deutsche Numis

Outlook

If this is a bubble it is unlike the last one

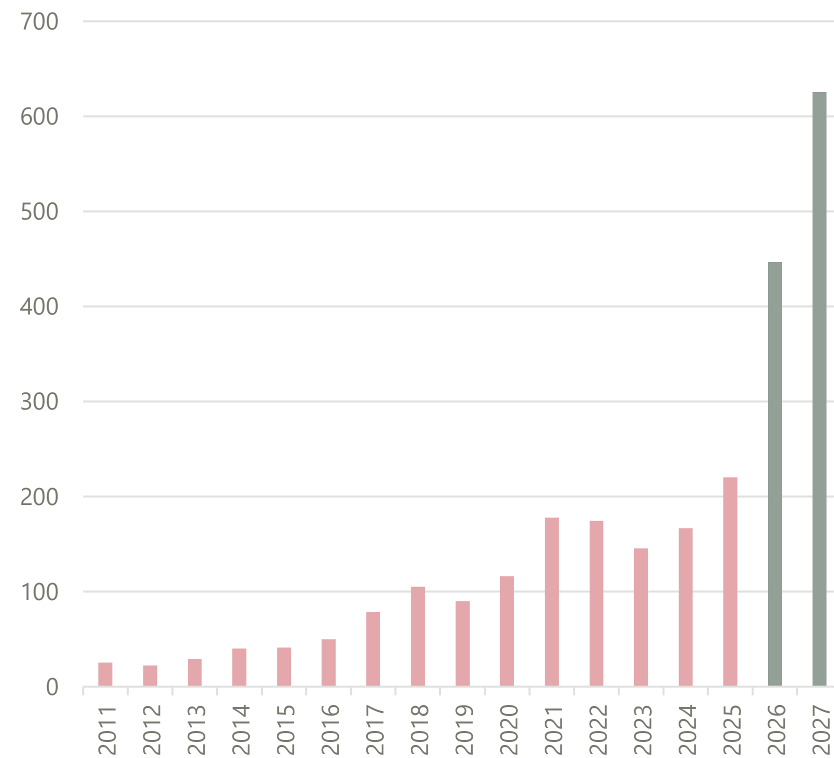
Nasdaq Forward P/E (2001 – 2026)

Source: Bloomberg L.P.

Semis are super cyclical, yet P/Es are rising in response to record earnings

Philadelphia Semiconductor Index (trailing P/E)

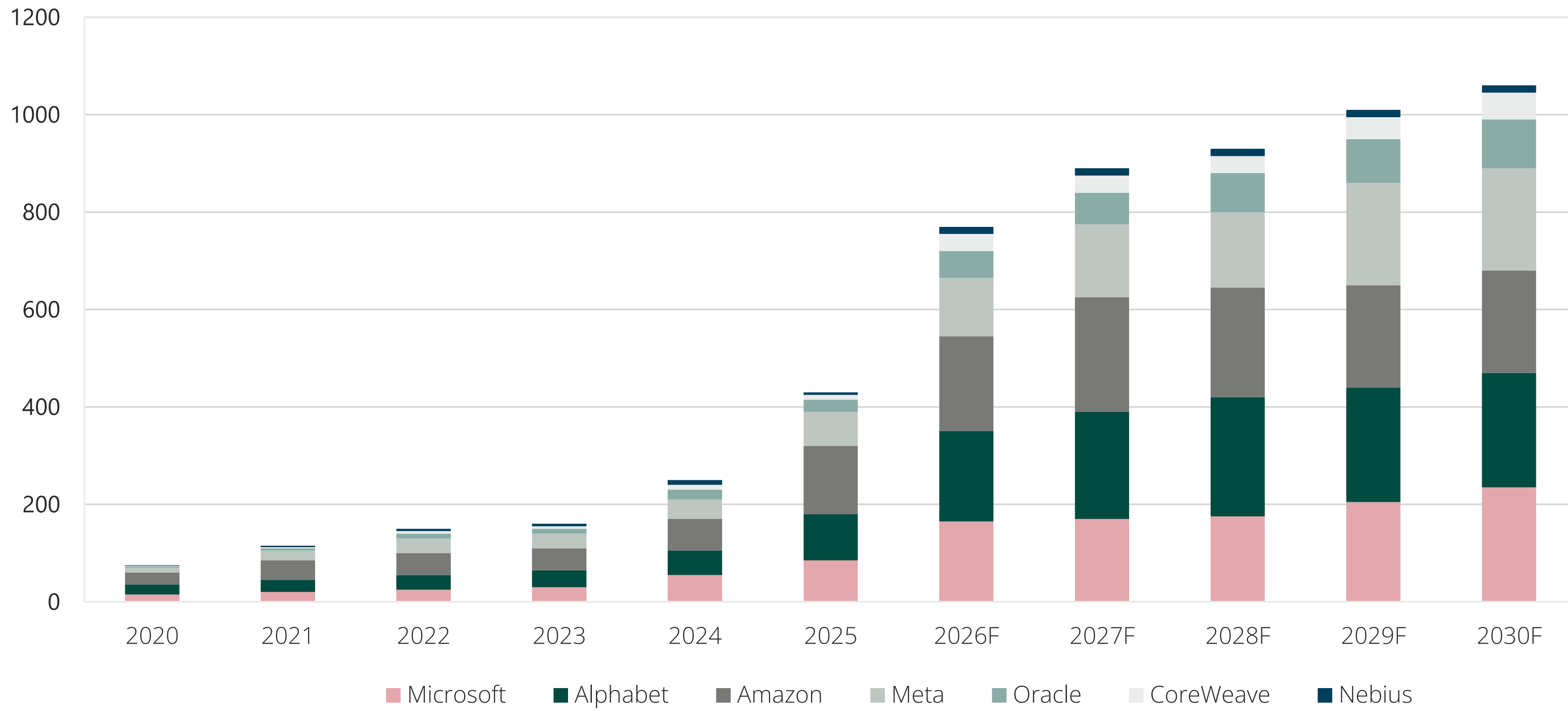
Philadelphia Semiconductor Index (EPS)



Source: Bloomberg L.P.

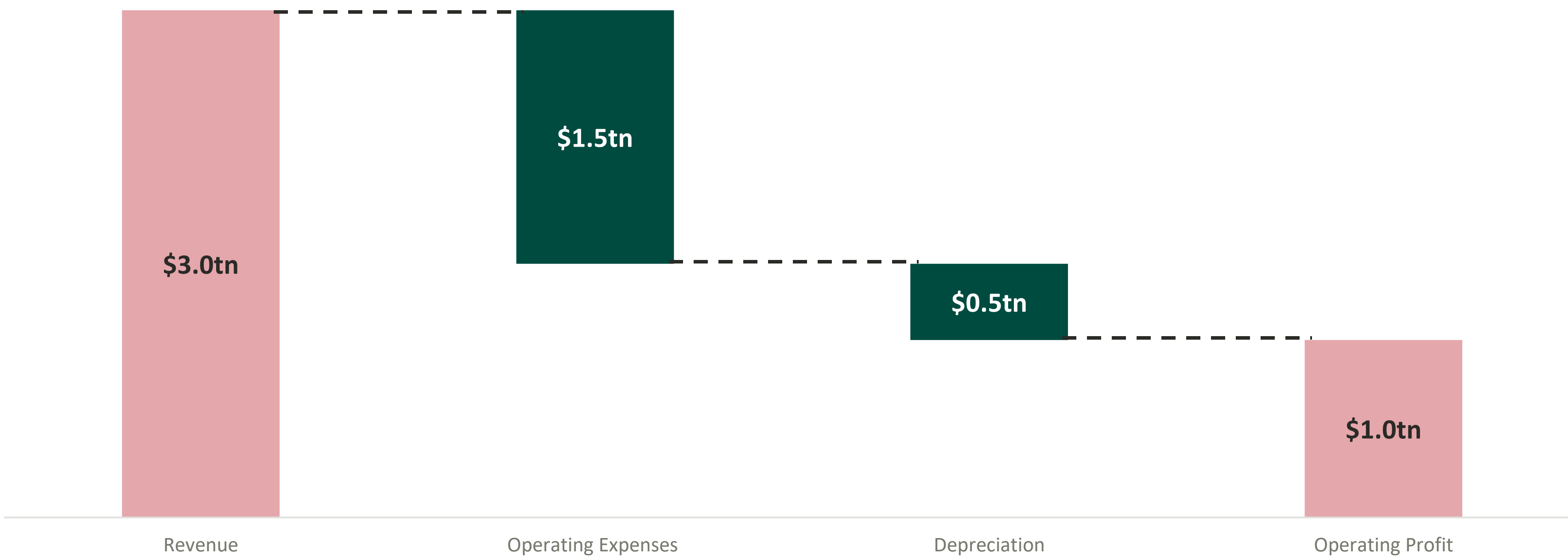
Is it possible to invest $5tn wisely?

AI Infrastructure Spending ($bn)



Source: American Century Investments

To generate reasonable returns we estimate B2B AI revenues of c.$3tn are required in 5 years to support the projected investment



Source: CGAM Analysis

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