
Capital Gearing Trust P.l.c.



Half-Year Report

For the six months ended

30 September 2025

Company Summary

The Company

Capital Gearing Trust P.L.C. ('CGT' or the 'Company') is an investment trust whose Ordinary shares are admitted to the closed-ended investment funds category of the Official List of the FCA and traded on the main market of the London Stock Exchange.

Investment Objective

The Company's objective is to preserve and, over time, to grow shareholders' real wealth.

Capital Structure and Voting Rights

The share capital comprises Ordinary shares of 25 pence each. As at 30 September 2025, 26,580,263 shares were in issue, of which 10,096,678 shares were held in treasury.

Discount/Premium Control Policy ('DCP')

The Company aims to purchase or issue shares to ensure, in normal market conditions, that the shares trade consistently close to their underlying net asset value ('NAV') per share.

Website

www.capitalgearingtrust.com

Dividends

The Company pays an annual dividend but focuses on total return rather than any net income level.

Management and Administration

Investment management is carried out by CG Asset Management Limited ('CGAM') for an annual fee of 0.6% of net assets up to £120m, 0.45% on net assets above £120m up to £500m and 0.30% thereafter. CGAM, including Peter Spiller, has managed the Company since 1982. Company secretarial and administrative services are provided by Frostrow Capital LLP. Custodial and depositary services are provided by Northern Trust Investor Services Limited.

ISA

The Company manages its affairs to be a fully qualifying investment trust under the individual savings account ('ISA') rules.

Financial Calendar

Annual Results	May
Annual General Meeting	July
Dividend Payment Date	July
Half-Year Results	November

Scan the QR code to register for email alerts regarding Company updates and to notify when voting events arise:



The Association of
Investment Companies

The Company is a member of the Association of Investment Companies.

Information disclaimer

This report is produced for members of the Company to provide them with information relating on the Company and its financial results for the period under review. This report contains subjective opinion, analysis and forward-looking statements which by their nature involve uncertainty. Past performance is no guarantee of future performance. Investments are not guaranteed and you may not get back the amount you originally invested. The Board and its advisers, including CG Asset Management and Frostrow Capital LLP, have produced these accounts in good faith and in accordance with legislation, regulations, reporting standards and to be useful to all stakeholders in the Company.

Contents

Company Summary	Inside front cover
Financial Summary	2
Chairman's Statement	3
Investment Manager's Report	5
Portfolio Investments	8
Portfolio Analysis	10
Interim Management Report	11
Financial Statements (unaudited)	
Condensed Income Statement	12
Condensed Statement of Changes in Equity	13
Condensed Statement of Financial Position	14
Condensed Cash Flow Statement	15
Notes to the Financial Statements	16
Alternative Performance Measures	19
Glossary of Terms and Definitions	21
Shareholder Information	22
Corporate Information	Inside back cover

Beware of Share Fraud

There has been an increase in the number of sophisticated but fraudulent financial scams, including imposter websites. Contact is often by a phone call or email which can originate from outside the UK. Shareholders may receive unsolicited phone calls or correspondence implying a connection to the Company. These are typically from overseas 'brokers' who target UK shareholders offering to sell them what often turn out to be worthless or high risk shares or to acquire shares in anticipation of a fictitious offer for the Company.

Please note that it is very unlikely that either the Company, or the Company's Registrar, would make unsolicited telephone calls to shareholders and never in respect of 'investor advice'.

If you are contacted, we recommend that you do not respond with any personal information, including access to financial information or bank accounts. If you are in any doubt you should seek financial advice before taking any action. You can find more information about investment scams at the Financial Conduct Authority (FCA) website: www.fca.org.uk/consumer/protect-yourself-scams. You can also call the FCA Consumer Helpline on 0800 111 6768.

There has also been an increase in imposter websites and internet scams. Investors should take care to discriminate between legitimate corporate websites and those that might try to represent corporates, where an objective of the scam would be to data capture private investor information or encourage investors to provide banking information.

Financial Summary

Highlights

	30 September 2025	31 March 2025
Share Price	4,885.0p	4,785.0p
NAV per Share	4,988.2p	4,924.8p
Share Price Discount to NAV per Share ⁽¹⁾	2.1%	2.8%
Market Capitalisation	£805.2m	£859.9m
Shareholders' Funds	£822.2m	£885.0m

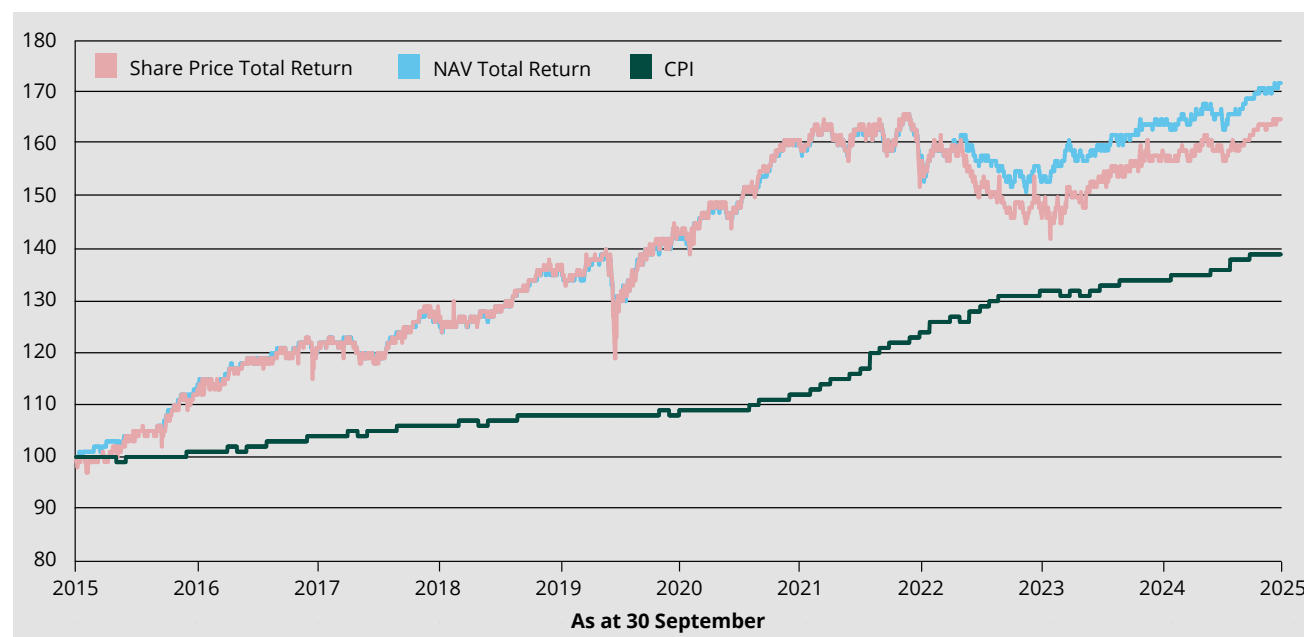
Total Return Performance to 30 September 2025

	6 months (%)	1 Year (%)	3 Years (%)	5 Years (%)	10 Years (%)
Share Price ⁽¹⁾	4.3	4.8	8.5	15.7	65.4
NAV per Share ⁽¹⁾	3.4	5.1	9.5	21.2	72.2
Consumer Price Index ('CPI') ⁽²⁾	2.1	3.8	12.5	27.7	39.0

Source: AIC/LSEG/ONS.

Share Price and NAV Total Return Performance over 10 years to 30 September 2025

Based on mid-market prices, the graph below illustrates the total return to investors in the Company over the past ten years, compared with the Consumer Price Index. Each measure is rebased to 100 in 2015.



Source: LSEG

⁽¹⁾ Alternative Performance Measure. Please refer to pages 19 to 21 for a description of the Alternative Performance Measures and a glossary of terms and definitions.

⁽²⁾ The Company does not have a formal benchmark but uses the Consumer Price Index ('CPI') as a relative measure over the medium to longer term.

Chairman's Statement

Performance

This is my first statement following my appointment as Chairman. I can report that over the six month reporting period to the end of September 2025, the Company delivered a net asset value ('NAV') total return of +3.4%. This compares with the Consumer Price Index ('CPI') return of +2.1%. The share price total return over the period was +4.3% as the discount ended the six-month period at the lower level of 2.1% compared with 2.8% as at 31 March 2025.

These results reflect the resilience of our capital preservation mandate and the disciplined implementation of our investment strategy even in periods of market instability. This was highlighted during the 'tariff swoon'. Whilst this retrenchment was not formally classified as a bear market, global equities fell almost 20% in sterling terms in the two months ended 8 April 2025. Over the same period the Company's NAV fell by just 2%. The principal objective of the Company is to preserve wealth and this episode was a good dress rehearsal for a more prolonged equity bear market.

Further details regarding the market environment and the Company's performance over the six months ended 30 September 2025, together with the Investment Manager's outlook can be found in the Investment Manager's Report on pages 5 to 7.

Discount/Premium Control Policy ('DCP')

Our DCP, which aims to ensure that, in normal market conditions, the Company's ordinary shares trade at close to underlying asset value, has resulted in the Company repurchasing 1,487,177 shares into Treasury for a total consideration of £71.6 million over the six months to 30 September 2025.

Reflecting both the quantum of buybacks completed by the Company and the Board's commitment to the DCP, the Company is likely to call a general meeting in the first quarter of 2026 to renew shareholder authority to buy-back shares, since it is highly likely that the authority to buyback 14.99% of the Company's share capital granted at the Annual General Meeting in July 2025 will be exhausted before the date of the 2026 Annual General Meeting. Shareholders will be notified

of any such general meeting. The Board hopes that we are close to the nadir of interest in capital preservation portfolios; but we must prepare in case that does not happen.

Whilst the repurchase of the Company's shares does shrink the assets of the Company, the Board notes that due to the vast majority of the Company's expenses being charged on an ad valorem basis, that is they rise and fall commensurably with the Company's assets, there is only a marginal increase in the Company's ongoing charges ratio. We believe that the DCP remains in the best interests of the Company.

Income and Distributions

The amount the Company receives in dividends and interest is the outcome of the application of its investment policy, and the amounts distributed to shareholders are designed to satisfy the Company's annual income distribution test to ensure that it maintains its investment trust status.

Over the course of the Company's year ended 31 March 2025, the Company took advantage of the UK interest streaming rules, which allow approved investment trusts which have income from interest bearing assets to treat all or part of a distribution as an interest distribution, rather than a conventional dividend. Accordingly, the Board recommended a final dividend of 102p per share, which was approved by shareholders, with the payment being designated as follows: Interest distribution per Ordinary share: 66p, Dividend distribution per Ordinary share: 36p. By doing this, the Company received a corresponding deduction in its corporation tax liability.

The total distribution above represented an increase of 30.8% from the 78p paid to shareholders in respect of the Company's financial year ended 31 March 2024. At the half year stage, the receipt of income has fallen since last year, nevertheless the Company is likely to again designate a proportion of the total distribution as an interest distribution. The final distribution recommendation will be determined by the Board and confirmed to shareholders in May 2026.

Chairman's Statement *(continued)*

Board Changes

We bade farewell to Jean Matterson at the conclusion of the Company's AGM held in July, following a tenure of just over ten years. Under her leadership, Jean brought not only deep experience and sound judgment to the role, but also a thoughtful, collaborative spirit that enriched the work of the entire Board. We thank Jean for her valued contribution to the Company and wish her all the best for the future.

Theo and I joined the Board in the second half of 2024. No further change to the Board is envisaged in the immediate future. I can confirm that the Board's composition is compliant with all applicable diversity targets for UK listed companies and it is the Board's intention that this will continue to be the case.

Company's Marketing, Promotion and Shareholder Interaction

With the dual aim of arming the Company's existing shareholders with timely and quality information, and to create a sustained demand for the Company's shares, the Board has tasked CG Asset Management with increasing the Company's profile with investors and potential investors across the investment community. This has resulted in regular updates and thought pieces on the Company via various media including video conferences, podcasts and in-person meetings, together with ongoing interaction with national and investment industry journalists.

The Company has also launched a redesigned website to provide a clearer, more informative and accessible online experience for shareholders. The site provides the history and background of the Company, insights, regulatory documents, performance data, shareholder communications, and investor tools. The new site can be found here: <https://capitalgearingtrust.com>

The next opportunity to hear from the Investment Manager is on Tuesday 18 November 2025 at 2.30 p.m., when the investment team will present the Company's half-year results via Investor Meet Company's webcasting service. Questions can be submitted at any time during the live presentation. Investors can sign up to Investor Meet Company for free and add "to meet CG Asset Management" via:

<https://www.investormeetcompany.com/cg-asset-management/register-investor>

Investors who already follow CG Asset Management on the Investor Meet Company platform will automatically be invited.

To ensure you get early notification of future presentations and events you can register for email and news alerts concerning the Company using the following link:

<https://capitalgearingtrust.com/contact/#alerts>

Karl Sternberg
Chairman

18 November 2025

Investment Manager's Report

Performance

The portfolio made steady progress over the half year reporting period delivering 3.4% on a NAV total return basis. A majority of the returns came from the Risk Asset portfolio, with equities rebounding strongly after the tariff-induced weakness in April. The bond portfolio delivered modest positive returns against a backdrop of rising yields and strengthening sterling. The Company's NAV per share approached its all-time high at the period end.

Attribution Analysis

Return on portfolio	%	%
Cash & treasury-bills	0.2	
Credit	0.7	
Managed Liquidity Reserve		0.9
Inflation-linked bonds		-0.6
Gold	0.2	
Infrastructure	0.8	
Alternatives	0.2	
Property	0.2	
Equities	1.8	
Risk assets		3.2
Gross return		3.5
NAV accretion from buyback	0.2	
Management fee and other costs	-0.3	
Net return		3.4

The Risk Asset holdings (circa. 26% of the portfolio), enjoyed a buoyant period of performance. Within the conventional equity investment trusts all markets delivered strong returns but particularly notable has been emerging markets and Japan. Fidelity Emerging Markets was a standout performer delivering returns in excess of 30% through a combination of strong NAV growth and a narrowing discount. Our large holding in the Aberdeen Asian Focus plc convertible bond, converted into equity in May, just in time to enjoy an extraordinary few months of performance. Overall, our equity investment trusts delivered a return of 13%. This was just below the sterling-denominated MSCI World, which returned 14.9% over the period. This underperformance was largely a consequence of the Company's continued underweight to US equities. Within our alternative portfolio the infrastructure holdings enjoyed a strong period, a welcome return to form after a difficult couple of years. The largest contributors included International Public Partnership Ltd, 3i Infrastructure plc and HICL Infrastructure plc, all of which are in our top 10 equity holdings. Our infrastructure holdings

returned 12.9% over the period, outperforming the AIC Infrastructure Sector by 5.3 percentage points ('pp').

In the period we reduced our exposure to Risk Assets by 3% from 29% to 26%. We are concerned about extremely stretched equity valuations, particularly in the US and increasingly speculative investor behaviour.

Bond returns were muted. For our inflation-linked bond holdings (circa. 39% of the portfolio) headwinds and tailwinds offset one another. Our US inflation-linked bonds ('TIPS') profited from falling yields that were offset by the weakening dollar. Our UK inflation-linked bonds profited from strong inflation accruals that were partly offset by a steepening yield curve. These improved yields motivated us to make the largest portfolio change in the period, with an increased allocation from 5% to 20% to UK "linkers". At the margin, this was accretive to returns: while our TIPS portfolio underperformed the TIPS index by 1.0pp over the period, our UK inflation-linked bond portfolio outperformed its benchmark index by 1.5pp. This increase was mostly funded by reducing our TIPS holdings and from reinvesting profits taken from Risk Assets. Our Managed Liquidity Reserve (circa. 34% of the portfolio), made up of short-dated government bonds and credit, made steady returns in the period. The very high weighting to these low-risk assets is an expression of our concern about the outlook.

Company Objective and Portfolio Construction

The Company's objective is to preserve and, over time, to grow shareholders' real wealth. To achieve this objective, we follow a flexible multi-asset strategy using a diversified portfolio of equities, index-linked bonds, and other assets to deliver consistent, risk-adjusted returns.

Long-term shareholders will be familiar with the labels we have used for many years to describe the various assets available to the team – namely: Dry Powder, Index-Linked Bonds and Risk Assets. Whilst there has not been any change to the investment strategy, we have worked with the Board to find new labels which better reflect and explain their role in achieving the investment objective. We hope this new terminology, as detailed below, is helpful:

- **Managed Liquidity Reserve** (formerly Dry Powder) - Cash and short-dated bonds that provide the Investment Manager with liquidity and optionality in uncertain markets
- **Inflation-Linked Bonds** (formerly Index-Linked Bonds) - These government bonds protect against inflation and are a key component of the capital preservation strategy

Investment Manager's Report *(continued)*

- **Risk Assets** (label unchanged) – Chiefly comprising listed investment trusts, ETFs, and property companies offering long-term growth potential

For more detail on these assets and the Company's investment strategy, please refer to the Company's website at <https://capitalgearingtrust.com>

Outlook

Our aim is to spend time worrying so that you don't have to. As we write this, the list of things we are worrying about is long. Chief among them is the fiscal position of developed market governments, in particular France, the US and the UK. France is forecast to have a budget deficit of over 5% this year. Government debt to GDP has risen to 114% and the country is in political paralysis. By the end of the year it will have had at least 6 different prime ministers since 2024. In the US the budget deficit is expected to be over 6% of GDP. Indeed, by 2030, 100% of Federal tax receipts will be consumed by non-discretionary expenditure (social security, debt interest expense, Medicare & Medicaid). The entire discretionary budget (education, defence, the civil service, roads etc.) will be deficit financed. In the UK the fiscal position is slightly better, our budget deficit is forecast to be "only" around 4% this year. All three governments have a lot of bonds to sell.

The UK's position is probably more precarious than that of the US or France. The US enjoys the exorbitant privilege of being the global reserve currency and France benefits from back-stopping by the ECB. Few need to own UK government debt. It is entirely plausible that any one of those countries (and several others) could suffer a fiscal crisis in the near future.

Bond markets have woken up to this. Yield curves have steepened dramatically as investors assess these risks and the higher returns needed to entice new buyers to buy the ever greater supply of government bonds. Yet equity investors have shrugged this off. The S&P500 trades at a CAPE ratio of 41x, against this measure it has only ever been more expensive for less than 1% of its history. When it comes to long-term prospective returns starting valuations really matter. If history is a guide then investors in the US can expect real returns of less than 1% per annum over the next 10 years. Of course, stocks tend not to move smoothly sideways: the path is more likely to include stomach-lurching falls. Nor are extremes of valuation confined to the Magnificent 7¹: Walmart trades on over 40x earnings even though its cash-flow growth over the last decade has lagged inflation. Procter & Gamble trades on a more modest 21x earnings. Yet it only generates a free cash yield of 4.0% which has also grown slower than inflation over the last decade.

When interest rates were zero these sorts of valuations may have made sense for so-called "bond proxies". But the increase in real yields in recent years has been nothing short of extraordinary. In the aftermath of the Covid pandemic 10-year real yields in the UK reached -3%, since then they have risen to around 1.5% today. Surely, these valuations cannot make sense now, when 20-year TIPS offer real yields of 2.3%. Where is the equity risk premium – the extra payment for holding a risky asset over safer government debt?

These equity valuations are set against a backdrop of high and rising macro-economic risks. There are two worth considering, the first is tariffs. The effective tariff rate for US consumers is estimated to be 19%, the highest level since 1933. We don't know what the impacts of these will be but we can guess at lower corporate profits – as businesses try to shield consumers from the worst of price rises – and higher inflation. The tariffs also amount to a highly regressive tax and/or a dramatic reduction in purchasing power for consumers.

Then there is the AI investment boom. The "hyper-scalers" are forecast to spend around \$500 bn in CAPEX through to 2030. To support this \$3tn in cumulative investment, we estimate they will need to generate revenues of \$2-3tn by 2030. This seems highly unlikely. We expect reality will disappoint and that these investments will generate, at best, modest returns and will require significant write-downs. It is possible that this won't matter; the hyper-scalers generate astonishing amounts of cash from their core businesses and will probably continue to. Equity markets may look past such mis-adventures, just as they have looked past Meta's circa. \$45 bn investment into the "metaverse", which has turned out to be largely worthless. More concerning is the potential impact on growth and the potential spill-over into private credit markets. By some estimates, data centre investment is the only thing keeping US GDP growth in positive territory. Take it away and the US might slip quickly into recession. Private debt markets have become major funders of the AI boom. It is possible these transactions are sufficiently well structured to ensure that the debt they provide is fully amortising. Even if it is, they are taking the credit risk of venture backed start-ups whose funding may dry up if their commercial viability is called into question. Open AI, NVIDIA and the like appear to be involved in ever larger circular financings: equity investments which in turn are used to buy the investor's chips. This is reminiscent of the network equipment providers offering vendor finance to sell their products in the late 1990s. We cannot say with certainty that this will end badly, but there is definitely a risk that it might.

¹ Alphabet, Amazon, Apple, Broadcom, Meta Platforms, Microsoft, NVIDIA

Investment Manager's Report *(continued)*

We are left with a world of unappealing choices. US equities are very expensive and much of the relative better value of other equity markets has, through good performance, been eroded. Bonds offer, on a long term view, good value but are very vulnerable to fiscal crises in the near term. Credit spreads are exceptionally tight and gold is at record valuations. Labour markets are weakening around the world, growth is low and inflation is sticky.

Against that backdrop our exposure to both equities and bonds is constrained. Where we take interest rate risk, it is via inflation linked bonds. We have a high weighting to cash-like assets within our managed liquidity reserve which offer reasonable returns. We judge the opportunity cost of not being invested in the market to be very low.

We would be delighted if you could join us at the CG Asset Management Investor Day on Tuesday 2 December from 9:30 a.m. to 1:00 p.m. We will discuss the current macroeconomic environment in greater depth, examine the outlook for investment trusts, and provide a comprehensive update on our asset allocation positioning. To register, please visit <https://www.cgam-events.com/>.

Peter Spiller Alastair Laing Christopher Clothier
18 November 2025

Portfolio Investments

The top ten⁽¹⁾ investments in each asset category are listed below. The full portfolio listing of the Company as at 30 September 2025 is published on the Company's website www.capitalgearingtrust.com

	30 September 2025 £'000	31 March 2025 £'000
Inflation-Linked Government Bonds		
Index-Linked Bonds – United Kingdom	169,222	75,828
Index-Linked Bonds – United States	146,104	244,846
Index-Linked Bonds – Japan	2,077	2,151
Index-Linked Bonds – Sweden	–	11,992
	317,403	334,817
Conventional Government Bonds		
Conventional Government Bonds – Japan	150,696	159,043
Conventional Government Bonds – United Kingdom	7,417	15,855
	158,113	174,898
Preference Shares/Corporate Debt		
Network Rail 1.75% 2027	11,539	4,947
BP Capital 4.25% Perpetual Bond	9,362	9,588
Eversholt Funding 6.359% 2025	4,945	–
Dwr Cymru (Financing) 3.514% 2030	4,801	5,662
Whitbread 3.375% 2025	4,448	3,959
Road Management Services 2.8332% 2035	4,412	4,427
London And Quadrant Housing Trust 2.625% 2026	3,948	–
Network Rail 1.9618% 2025	3,437	3,359
Tesco 1.982% 2036	3,324	112
Sydney Airport Finance Company 3.12% 2030	3,306	3,166
Other Preference Shares/Corporate Debt Investments	45,789	64,998
	99,311	100,218

Portfolio Investments *(continued)*

	30 September 2025 £'000	31 March 2025 £'000
Funds/Equities		
North Atlantic Smaller Companies Investment Trust	17,304	16,469
Vanguard FTSE 100 UCITS	15,848	16,805
International Public Partnerships	11,468	9,231
HICL Infrastructure	10,814	8,260
Vanguard FTSE 250 UCITS	9,618	10,036
JP Morgan Japan ETF	9,516	23,308
3i Infrastructure	8,501	7,488
BH Macro	7,835	— ⁽²⁾
BlackRock Energy and Resources Income Trust	7,683	— ⁽³⁾
Smithson Investment Trust	7,117	6,603
Other Fund/Equity Investments	105,067	141,330
	210,771	239,530
Gold		
WisdomTree Physical Swiss Gold (Exchange Traded Commodity)	9,500	10,944
	9,500	10,944
Total Investments	795,098	860,407
Cash	10,856	42,859
Total	805,954	903,266

⁽¹⁾ Some asset categories comprise fewer than ten investments.

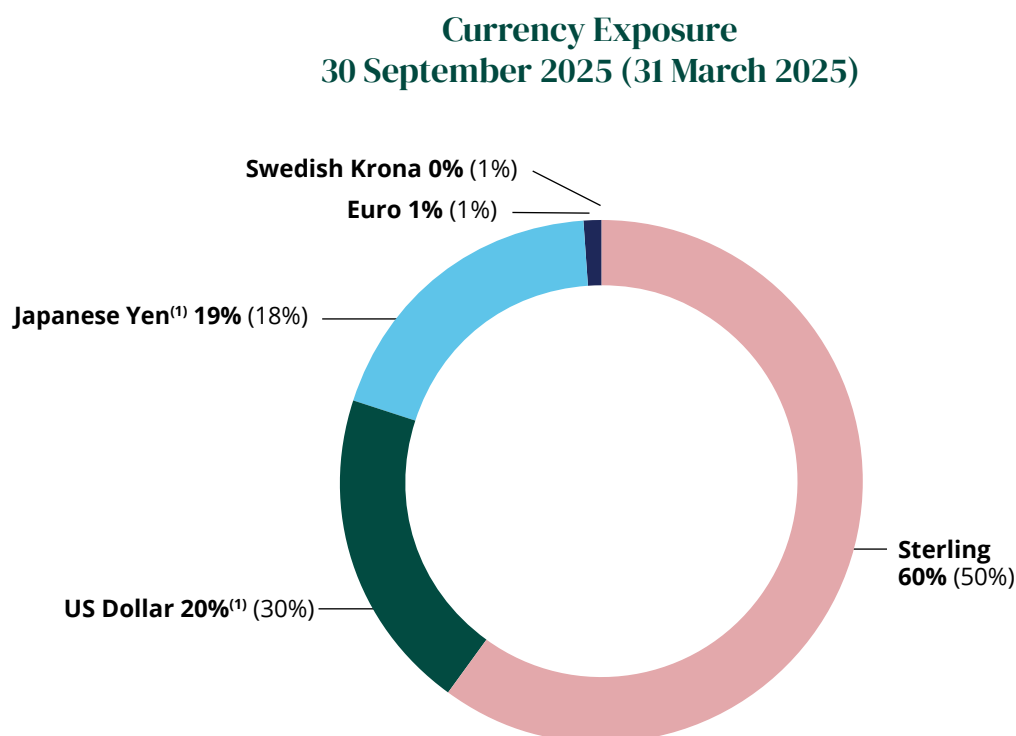
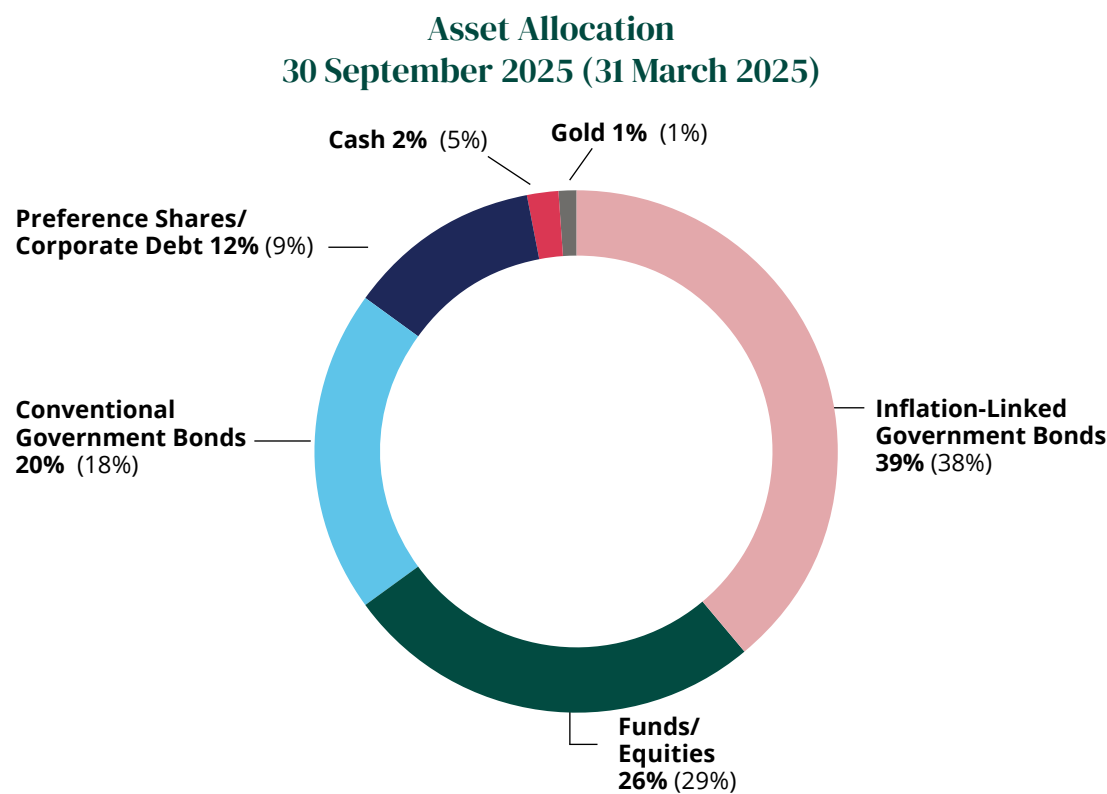
⁽²⁾ Balance as at 31 March 2025 was £6,089,000 but was not a top ten investment and therefore shown as “—”.

⁽³⁾ Balance as at 31 March 2025 was £6,235,000 but was not a top ten investment and therefore shown as “—”.

	30 September 2025	31 March 2025
Asset Allocation Analysis		
Inflation-Linked Government Bonds	39%	38%
Funds/Equities	26%	29%
Conventional Government Bonds	20%	18%
Preference Shares/Corporate Debt	12%	9%
Cash	2%	5%
Gold	1%	1%
	100%	100%
Currency Allocation Analysis		
Sterling	60%	50%
US Dollar ⁽¹⁾	20%	30%
Japanese Yen ⁽¹⁾	19%	18%
Euro	1%	1%
Swedish Krona	0%	1%
	100%	100%

⁽¹⁾ Currency exposure does not include the effect of currency hedging.

Portfolio Analysis



⁽¹⁾ Currency exposure does not include the effect of currency hedging.

Interim Management Report

A review of the half-year and the outlook for the Company can be found in the Chairman's Statement and the Investment Manager's Report.

Principal Risks and Uncertainties

The principal risks faced by the Company fall into the following broad categories: investment strategy and performance; share price premium/discount level; operational risk, regulatory and governance risk, and financial and economic risk. Information on each of these areas is given in the Strategic Review within the Annual Report for the year ended 31 March 2025. The Company's principal risks and uncertainties have not changed materially since the date of that report and are not expected to change materially for the remaining six months of the Company's financial year.

The Directors continue to work with the agents and advisers to the Company to manage the risks, including any emerging risks, as best they can.

Related Party Transactions

Details of related party transactions are contained in the Annual Report for the year ended 31 March 2025. There have been no material changes to be reported.

Going Concern

The Company's investment objective and business activities, together with the main trends and factors likely to affect its development and performance are monitored continuously by the Board. The Directors believe that the Company is reasonably well placed to manage its business risks and, having reassessed the principal risks, consider it appropriate to continue to adopt the going concern basis of accounting in preparing the interim financial information.

Statement of Directors' Responsibilities

Each Director confirms that, to the best of their knowledge:

- (i) the condensed set of financial statements has been prepared in accordance with Financial Reporting Standard 104 (Interim Financial Reporting);
- (ii) the Half-Year Report includes a fair review of the information required by Disclosure Guidance and Transparency Rule 4.2.7R, being an indication of important events that have occurred during the first six months of the financial year and their impact on the condensed set of financial statements; and a description of the principal risks and uncertainties for the remaining six months of the year and includes a fair review of the information required by Disclosure Guidance and Transparency Rule 4.2.8R, being related party transactions that have taken place in the first six months of the current financial year and that have materially affected the financial position or performance of the entity during that period and any changes in the related party transactions described in the last annual report that could do so; and
- (iii) the Half-Year Report, taken as a whole, is fair balanced and understandable and provides information necessary for shareholders to access the Company's performance, position and strategy.

This Half-Year Report contains certain forward-looking statements. These statements are made by the Directors in good faith based on the information available to them up to the date of this report and such statements should be treated with caution due to the inherent uncertainties, including both economic and business risk factors, underlying any such forward-looking information.

For and on behalf of the Board

Karl Sternberg

Chairman

18 November 2025

Condensed Income Statement

	(unaudited) Six months ended 30 September 2025			(unaudited) Six months ended 30 September 2024		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Net gains on investments held at fair value	-	12,561	12,561	-	10,656	10,656
Net gains on currency swap contracts	-	7,483	7,483	-	4,678	4,678
Net currency (losses)/gains	-	(66)	(66)	-	32	32
Investment income (note 2)	9,602	-	9,602	10,708	-	10,708
Other income	78	-	78	205	-	205
Gross return	9,680	19,978	29,658	10,913	15,366	26,279
Investment management fee	(1,789)	-	(1,789)	(2,015)	-	(2,015)
Other expenses	(704)	-	(704)	(774)	-	(774)
Net return before tax	7,187	19,978	27,165	8,124	15,366	23,490
Tax charge	-	-	-	(530)	-	(530)
Net return attributable to equity shareholders	7,187	19,978	27,165	7,594	15,366	22,960
Net return per share (note 3)	41.51p	115.41p	156.92p	36.16p	73.15p	109.31p

The total column of this statement represents the Income Statement of the Company. The Revenue return and Capital return columns are supplementary to this and are prepared in accordance with the Statement of Recommended Practice issued by the Association of Investment Companies ('AIC SORP').

All revenue and capital items in the above statement derive from continuing operations.

There are no gains or losses other than those recognised in the Income Statement.

The accompanying notes are an integral part of the condensed financial statements.

Condensed Statement of Changes in Equity

For the six months ended 30 September 2025 (unaudited)	Called-up Share capital £'000	Capital redemption reserve £'000	Special reserve ¹ £'000	Unrealised capital reserve ¹ £'000	Realised capital reserve ¹ £'000	Revenue reserve ¹ £'000	Total £'000
Opening balance at 1 April 2025	6,645	16	842,862	(15,956)	28,875	22,583	885,025
Net return for the period	-	-	-	24,499	(4,521)	7,187	27,165
Repurchase of shares into treasury (note 6)	-	-	(72,048)	-	-	-	(72,048)
Dividends paid (note 4)	-	-	-	-	-	(17,907)	(17,907)
Closing balance at 30 September 2025	6,645	16	770,814	8,543	24,354	11,863	822,235

For the six months ended 30 September 2024 (unaudited)	Called-up Share capital £'000	Capital redemption reserve £'000	Special reserve ¹ £'000	Unrealised capital reserve ¹ £'000	Realised capital reserve ¹ £'000	Revenue reserve ¹ £'000	Total £'000
Opening balance at 1 April 2024	6,645	16	1,037,403	(9,215)	7,670	17,654	1,060,173
Net return for the period	-	-	-	10,960	4,406	7,594	22,960
Repurchase of shares into treasury (note 6)	-	-	(89,840)	-	-	-	(89,840)
Dividends paid (note 4)	-	-	-	-	-	(16,598)	(16,598)
Closing balance at 30 September 2024	6,645	16	947,563	1,745	12,076	8,650	976,695

¹ These reserves are available for distribution except for the gains and losses relating to Level 3 investments.

The accompanying notes are an integral part of the condensed financial statements.

Condensed Statement of Financial Position

	(unaudited) 30 September 2025 £'000	(audited) 31 March 2025 £'000
Fixed assets		
Investments held at fair value through profit or loss (note 7)	795,098	860,407
Current assets		
Debtors	19,544	8,379
Cash	10,856	42,859
	30,400	51,238
Creditors: amounts falling due within one year	(3,263)	(26,620)
Net current assets	27,137	24,618
Net assets	822,235	885,025
Capital and reserves		
Called-up share capital	6,645	6,645
Capital redemption reserve	16	16
Special reserve	770,814	842,862
Capital reserve	32,897	12,919
Revenue reserve	11,863	22,583
Total equity shareholders' funds	822,235	885,025
Net asset value per Ordinary share	4,988.2p	4,924.8p

The accompanying notes are an integral part of the condensed financial statements.

The Half-Year Report for the six months ended 30 September 2025 was approved by the Board of Directors on 17 November 2025 and signed on its behalf by:

Karl Sternberg
Chairman

18 November 2025

Condensed Cash Flow Statement

	(unaudited) Six months ended 30 September 2025 £'000	(unaudited) Six months ended 30 September 2024 £'000
Net cash inflow from operating activities (note 5)	8,510	7,123
Purchases of investments	(414,353)	(648,871)
Sales of investments	463,700	760,133
Settlement on currency swap contracts	(747)	(151)
Net cash inflow from investing activities	48,600	111,111
Equity dividends paid	(17,907)	(16,598)
Repurchase of shares into treasury	(70,820)	(91,836)
Cost of share buybacks paid	(386)	(446)
Net cash outflow from financing activities	(89,113)	(108,880)
Increase/(decrease) in cash	(32,003)	9,354
Cash at start of period	42,859	11,643
Cash at end of period	10,856	20,997

The accompanying notes are an integral part of the condensed financial statements.

Notes to the Financial Statements

1. Basis of preparation

The condensed Financial Statements for the six months to 30 September 2025 comprise the Income Statement, the Statement of Changes in Equity, the Statement of Financial Position and the Cash Flow Statement, together with the notes set out below. They have been prepared in accordance with FRS 104 'Interim Financial Reporting', the AIC's Statement of Recommended Practice issued in 2022 ('AIC SORP'), UK Generally Accepted Accounting Principles ('UK GAAP') and using the same accounting policies as set out in the Company's Annual Report and Accounts at 31 March 2025.

2. Investment income

	(unaudited) Six months ended 30 September 2025 £'000	(unaudited) Six months ended 30 September 2024 £'000
Income from investments		
Interest from UK bonds	3,944	3,754
Overseas dividend income	2,279	2,506
UK dividend income	1,855	3,415
Interest from overseas bonds	1,524	1,033
Total income	9,602	10,708

3. Net return per share

The calculation of return per share is based on results after tax divided by the weighted average number of shares in issue during the period, excluding shares held in treasury, of 16,483,585 (31 March 2025: 17,970,762).

The revenue, capital and total returns per share are shown in the Income Statement.

4. Dividends paid

	(unaudited) Six months ended 30 September 2025 £'000	(unaudited) Six months ended 30 September 2024 £'000
2025 Dividend paid 8 July 2025 (102.0p per share)	17,907	–
2024 Dividend paid 5 July 2024 (78.0p per share)	–	16,598

Notes to the Financial Statements *(continued)*

5. Reconciliation of net return before tax to net cash inflow from operating activities

	(unaudited) Six months ended 30 September 2025 £'000	(unaudited) Six months ended 30 September 2024 £'000
Net return before tax	27,165	23,490
Adjustments for:		
Gains on investment held at fair value	(19,978)	(15,334)
Decrease in prepayments	28	28
Increase/(decrease) in accruals	9	(750)
Taxation reclaimed/(paid)	715	(852)
Decrease/(increase) in dividends receivable	684	(183)
(Increase)/decrease in accrued interest	(47)	692
Realised (losses)/gains on foreign currencies	(66)	32
Net cash inflow from operating activities	8,510	7,123

6. Ordinary shares

During the period, the Company repurchased 1,487,177 shares for a cash consideration of £72,048,000 (six months to 30 September 2024: repurchased 1,891,138 shares for a cash consideration of £89,840,000). The Company issued no new shares during the period or during the six months to 30 September 2024.

At 30 September 2025, there were 26,580,263 shares in issue (31 March 2025: 26,580,263) and 10,096,678 shares were held in treasury (31 March 2025: 8,609,501).

Notes to the Financial Statements *(continued)*

7. Fair value of financial assets and liabilities

Financial Reporting Standard 102 requires an entity to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1: valued using unadjusted quoted prices in active markets for identical assets;

Level 2: valued using observable inputs other than quoted prices included within Level 1; and

Level 3: valued using inputs that are unobservable and are valued by the Directors using International Private Equity and Venture Capital Valuation ('IPEV') guidelines, such as earnings multiples, recent transactions and net assets, which equate to their fair values.

The financial assets and liabilities measured at fair value in the Statement of Financial Position are grouped into the fair value hierarchy as follows:

				(unaudited) As at 30 September 2025 Total £000
Financial assets held at fair value through profit or loss	Level 1 £000	Level 2 £000	Level 3 £000	
Quoted securities	783,352	11,261	–	794,613
Currency swap contracts	–	11,161	–	11,161
Unquoted securities	–	–	485	485
Total fair value of financial assets	783,352	22,422	485	806,259

				(audited) As at 31 March 2025 Total £000
Financial assets held at fair value through profit or loss	Level 1 £000	Level 2 £000	Level 3 £000	
Quoted securities	844,854	14,990	–	859,844
Currency swap contracts	–	2,931	–	2,931
Unquoted securities	–	–	563	563
Total fair value of financial assets	844,854	17,921	563	863,338

8. General information

The financial information contained in this Half-Year Report does not constitute statutory accounts as defined in section 434 of the Companies Act 2006. The financial information for the half-years ended 30 September 2025 and 30 September 2024 has not been audited. The financial information for the year ended 31 March 2025 has been extracted from the Company's statutory accounts for that period, which have been filed with the Registrar of Companies. The report of the Auditor on those accounts was unqualified and did not contain a statement under either section 498(2) or section 498(3) of the Companies Act 2006.

Alternative Performance Measures

The Alternative Performance Measures ('APMs') detailed below are used by the Board to assess the Company's performance against a range of criteria and are viewed as particularly relevant to an investment trust.

NAV Total Return (APM) Net asset value total return measures the increase or decrease in net asset value per share plus the dividends paid in the year, which are assumed to be reinvested at the NAV at the time that the shares are quoted ex-dividend.

		(unaudited) Six months ended 30 September 2025	(unaudited) Six months ended 30 September 2024
Opening NAV per share	A	4,924.8p	4,810.5p
Closing NAV per share	B	4,988.2p	4,847.7p
% change in NAV	$C=(B-A)/A$	1.3%	0.8%
Impact of dividend reinvested	D	2.1%	1.6%
NAV total return	$E=C+D$	3.4%	2.4%

Share Price Total Return (APM) Share price total return measures the increase or decrease in share price plus the dividends paid in the year, which are assumed to be reinvested at the share price at the time that the shares are quoted ex-dividend.

		(unaudited) Six months ended 30 September 2025	(unaudited) Six months ended 30 September 2024
Opening share price	A	4,785.0p	4,695.0p
Closing share price	B	4,885.0p	4,760.0p
% change in share price	$C=(B-A)/A$	2.1%	1.4%
Impact of dividend reinvested	D	2.2%	1.7%
Share price total return	$E=C+D$	4.3%	3.1%

Share Price Premium/Discount to NAV per Share (APM) The amount by which the share price is higher/lower than the net asset value per share, expressed as a percentage of the net asset value per share.

		(unaudited) As at 30 September 2025	(audited) As at 31 March 2025
NAV per share	A	4,988.2p	4,924.8p
Share price	B	4,885.0p	4,785.0p
Share price discount to NAV per share	$C=(B-A)/A$	2.1%	2.8%

Alternative Performance Measures

(continued)

Annualised Ongoing Charges Ratio (APM)

Ongoing charges ratio is calculated by taking the Company's annualised operating expenses and expressing them as a percentage of the average daily net asset value of the Company over the year. The costs of buying and selling investments are excluded, as are interest costs, taxation, costs of buying back or issuing shares and other non-recurring costs. These items are excluded because if included, they could distort the understanding of the Company's performance for the year and the comparability between periods.

	(unaudited) Six months ended 30 September 2025 £'000	(audited) Year ended 31 March 2025 £'000
Total expenses per the Income Statement	2,493	5,463
Total expenses – annualised	4,940	5,463
Average net assets during the period	850,363	972,994
Ongoing charges ratio	0.58%	0.56%

Glossary of Terms and Definitions

Alternative Performance Measures	Alternative performance measures are numerical measures of the Company's current, historical or future performance, financial position or cash flows, other than financial measures defined or specified in the applicable financial framework. The Company's applicable financial framework includes UK GAAP, including FRS 102, and the AIC SORP. Further information is provided above. These numerical measures are used by the Board to assess the Company's performance against a range of criteria and are viewed as particularly relevant for an investment company.
Discount/Premium Control Policy	A discount and premium control policy ('DCP') that seeks to ensure that the Company's shares trade at close to net asset value, in normal market conditions, through a combination of share buy-backs and share issues. The DCP creates liquidity in the shares and should reduce premium/discount volatility.
Drawdown	A maximum drawdown is the maximum observed negative period of return from a peak to a trough, as measured at month end NAV. Maximum drawdown is an indicator of downside risk that can be used to assess the relative riskiness of one portfolio relative to another.
Earnings per share	The earnings per share ('EPS') is calculated by dividing the net revenue return attributable to equity shareholders by the weighted average number of shares in issue.
Equity ETF	An exchange-traded fund ('ETF') is a type of pooled investment security that operates similarly to a mutual fund. Typically, ETFs will track a particular index, sector, commodity, or other asset, but unlike mutual funds, ETFs can be purchased or sold on a stock exchange in the same way as a regular listed stock. The price of an ETF's shares will change throughout the trading day reflecting the underlying value of the security.
Inflation-Linked Bonds	These government bonds protect against inflation and are a key component of the capital preservation strategy.
Managed Liquidity Reserve	Highly liquid assets such as cash, Treasury Bills and short-term credit holdings.
Market Capitalisation	The value of the total market value of a company's shares. It is calculated by multiplying the total number of shares in issue by the current share price.
Net Asset Value ('NAV')	The value of total assets less liabilities. To calculate the net asset value per share the net asset value is divided by the number of shares in issue.
Risk Assets	Risk assets are any assets that carry an element of risk greater than high quality credit. The term generally refers to any financial security or instrument, such as equities (including investment trusts), commodities, high-yield bonds.
Treasury shares	Shares that have been repurchased by the Company but not cancelled. These shares are held in a treasury account and remain part of the Company's share capital but do not carry any rights to receive dividends or vote at general meetings.

Shareholder Information

Financial Reporting	Copies of the Company's Annual and Half-Year Reports may be obtained from the Company Secretary and electronic copies can be accessed on the Company's website www.capitalgearingtrust.com .
Contacting the Board	Any shareholders wishing to communicate directly with the Board should do so via the Company Secretary.
Capital Gains Tax	As at 31 March 1982 the adjusted value for capital gains tax purposes of the 25p Ordinary shares was 21.25p.
Frequency of NAV Publication	Daily
Share Price	The Company's share price can be found on the London Stock Exchange website by using the Company's TIDM code 'CGT' within the price search facility. The share price is also available on the Company's website.
How to Invest	Via your bank, stockbroker, execution only platforms or financial advisor.
ISA	The Company manages its affairs to be a fully qualifying investment trust under the individual savings account ('ISA') rules.
Sources of Further Information	Company's website www.capitalgearingtrust.com AIC www.theaic.co.uk For registrar queries contact Computershare on 0370 873 5864.
Share Identification Codes	SEDOL: 0173861 ISIN: GB0001738615 BLOOMBERG: CGT:LN TIDM: CGT FT: CGT:LSE LEI: 213800T2PJTPVF1UGW53
Nominee Share Code	The Company will arrange for copies of shareholder documents to be made available on request to interested parties and operators of nominee accounts.
Substantial Shareholdings	The Disclosure Guidance and Transparency Rules require shareholders of the Company to simultaneously inform the Company and the Financial Conduct Authority (the 'FCA') of changes to major holdings in the Company's shares within two trading days of the change. For further information, please visit the FCA's website: https://www.fca.org.uk/markets/primary-markets/regulatory-disclosures/shareholding-notification-disclosure .
Disability Act	Access for the hard of hearing to the services of the registrar to the Company, Computershare Investor Services PLC, is provided by their contact centre's text phone service on 0370 702 0005. Alternatively, if you prefer to go through a 'typetalk' operator (provided by the RNID) you should dial 18001 followed by the number you wish to dial.
Data Protection	The Company is committed to ensuring the privacy of any personal data provided to us. Further details of the Company's privacy policy can be found on the Company's website www.capitalgearingtrust.com .
Key Information Document	In line with the European regulations for packaged investment products, which came into force in January 2018, a key information document ('KID') has been produced for the Company by its AIFM and is available on the Company's website. The KID, which is not the responsibility of the Company, is produced in a prescribed form, with little scope for deviation. Investor's should note that the procedures for calculating risks, costs and potential returns contained in the KID are prescribed by law. These may not reflect the expected returns for the Company and anticipated returns cannot be guaranteed. The costs disclosed in the KID include transaction charges and look through costs, being the operating costs of investee funds, in addition to the ongoing charges of the Company.

Corporate Information

Directors *(all non-executive)*

Karl Sternberg, Chairman
Ravi Anand
Wendy Colquhoun
Paul Yates
Theodora Zemek

Company Secretary and Administrator

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