Canadian General Investments

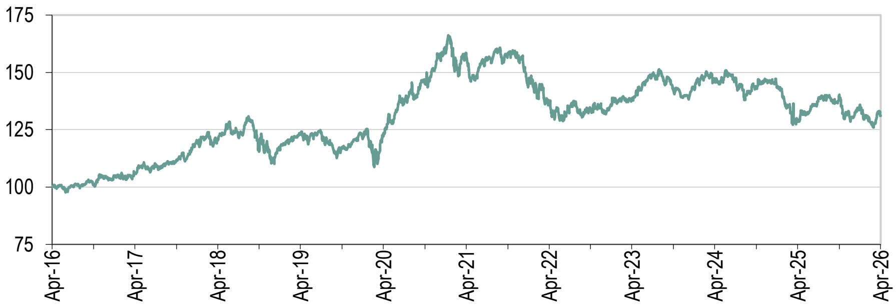
Keeping calm and focused amid global turmoil

Investment companies
Canadian equities

8 May 2026

Canadian General Investments (CGI) offers investors a diversified exposure to the Canadian market. Manager Greg Eckel (since 2009) and assistant manager Victor Cheung (since 2024) employ a long-term, steady approach, avoiding market noise, while remaining opportunistic. This strategy has been very successful over the very long term; not many funds are able to demonstrate 25- and 50-year outperformance records. Eckel has observed increased attention in Canada from global investors. He has long-since highlighted the strong long-term performance of the Canadian market, but its potential has been augmented by both its performance and its exposure to hard assets.

Exhibit 1: NAV outperformance versus benchmark, last 10 years



Source: Morningstar, Edison Investment Research

Why consider CGI?

CGI shareholders really do get the benefits of both income and capital growth as the board is delivering on its progressive dividend strategy. In FY25, dividend growth accelerated from C$0.04 per share (which had been in place since FY18) to C $0.08 per share. There has been another step-up this year, with the first two FY26 quarterly dividends declared indicating a 14.8% year-on-year increase (up C$0.16 to C$1.24 per share). This would give CGI a 13-year record of consecutive higher dividends and just seven years away from propelling the company from an AIC next-generation to a full AIC dividend hero.

Despite CGI's limited free float due to a 52.5% insider ownership and an inability to repurchase shares for tax reasons, there have been times when the company traded close to NAV. If there is a widespread narrowing of investment company discounts, maybe due to a less uncertain macroeconomic environment, it could be the icing on the cake for CGI shareholders, who are used to long-term, above-market total returns.

Eckel's unconstrained investment approach has been an important contributor to CGI's long-term total returns. Some of the portfolio companies and active sector allocations have been in place for many years. There is a notable large below-index weighting in financials, which make up around 30% of the benchmark but just c 12% of the portfolio at the end of April 2026, as the managers generally find better opportunities elsewhere. CGI's shareholders have benefited from an overweight in technology stocks, some of which are US-listed global leaders, including NVIDIA and Apple. However, the managers are now taking some profits given the increased risk from the dominance of large-cap technology stocks within the US market.

Not intended for persons in the EEA.

Price		**C$51.80**
Market cap		**C$1,081m**
Total assets		**C$2,062m**
NAV		C$88.1
[1]NAV at 6 May 2026.		
Discount to NAV		41.2%
Current yield		2.2%
[1]Prospective yield = 2.4%.		
Shares in issue		20.9m
Code/ISIN		CGI/CA1358251074
Primary exchange		TSX
AIC sector		North America
Financial year end		31 December
52-week high/low	C$52.0	C$34.9
NAV high/low	C$89.0	C$62.9
Net gearing		11.6%
[1]Net gearing at 30 April 2026.		

Fund objective

Canadian General Investments' objective is to provide better-than-average returns to shareholders by investing in a diversified portfolio of primarily Canadian equities. It aims to achieve this through prudent security selection, timely recognition of capital gains/losses and appropriate use of income-generating instruments. CGI's performance is measured against the S&P/TSX Composite Index.

Bull points

- Diversified portfolio of North American equities.
- Very long-term record of outperformance versus the benchmark.
- Rising regular quarterly dividends.

Bear points

- Discount remains consistently wide.
- High level of family ownership.
- Gearing will amplify capital losses during a market sell-off.

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CGI: Long-term outperformance versus the Canadian market

CGI is North America's second-oldest closed-end equity fund, invested primarily in Canadian companies for the medium to long term. The managers aim to provide a better-than-average total return for investors through prudent stock selection, timely recognition of capital gains/losses and investment in appropriate income-generating instruments. CGI may be described as a one-stop shop for investing in Canada. However, it is important to remember that up to 25% of the portfolio can be invested in US equities, in unique businesses that may not be available in Canada.

Exhibit 2 illustrates CGI's impressive performance record versus the Canadian market over the last 25 and 50 years to the end of 2025, which clearly shows the benefit of compounding returns and having a long-term approach.

Exhibit 2: CGI's long-term outperformance versus the Canadian market

	Period (years)	Original investment (C$)	Annual total return (%)	Final investment (C$)
CGI	25	10,000	10.7	126,967
S&P/TSX Composite Index	25	10,000	8.1	70,088
CGI	50	10,000	11.8	2,642,957
S&P/TSX Composite Index	50	10,000	10.5	1,472,699

Source: CGI, Edison Investment Research. Note: To 31 December 2025. Dividends reinvested.

CGI was established in 1930 and has been listed on the Toronto Stock Exchange since 1962 and on the London Stock Exchange since 1995. Morghan Meighen & Associates (MMA) took over management of CGI in 1956; the firm has c C $3.2bn of assets under management for both private and institutional clients. Eckel has managed CGI's portfolio since 2009, and was joined in 2024 by Victor Cheung, who came on board at MMA as a vice president and portfolio manager. One of his responsibilities is as CGI's assistant portfolio manager, working alongside Eckel. The managers have an unconstrained approach, within the remit that a maximum 35% of the portfolio may be held in a single sector, and they invest without reference to the sector weightings of the S&P/TSX Composite Index benchmark. This does mean that CGI's performance may differ meaningfully from that of the index. The managers have a medium- to long-term view, so some of the fund's holdings have been in the portfolio for many years. CGI is designated as an investment corporation under the Income Tax Act (Canada). This eliminates a layer of taxation, as realised capital gains paid as dividends to shareholders are only taxed at the shareholder level. However, to maintain this favourable tax status, CGI is unable to repurchase its shares to help manage the share price discount to NAV. A maximum 25% of its gross revenue may come from interest income and at least 85% of gross revenue must be from Canadian sources.

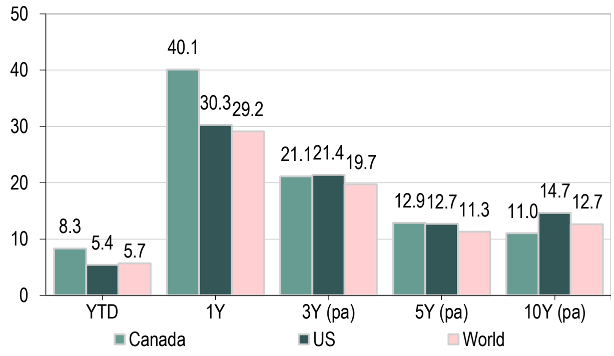
The managers' stock selection process is primarily bottom up, although they do take the macroeconomic environment into account. They aim to generate an above-average total return for investors, seeking reasonably valued companies with favourable fundamentals and strong management teams; the managers also take firms' economic, social and governance credentials into account. While most of CGI's portfolio is invested in Canadian companies, the allocation to US equities is largely in niche operations or business areas that are under-represented in the Canadian market. The broad equity exposures at the end of April 2026 were 82% Canada and 18% US.

There are currently 54 holdings in the portfolio with a bias to large and mid-sized stocks. Some of these are higher yielding, such as the Canadian banks, helping to support CGI's own dividend payments. The managers have a long-term focus – in FY25, portfolio turnover was 11.4%, which was a little higher than the 8.2% five-year average and implies a very long holding period of around nine years. Positions are reassessed regularly to ensure they are sized correctly, and investment cases are still valid. Eckel has a history of successively backing good management teams that may move companies due to mergers and acquisitions.

Market performance and valuation

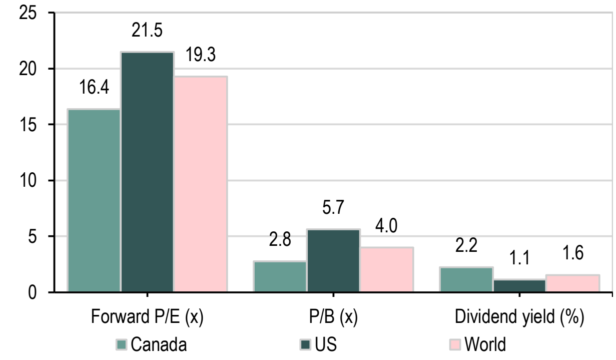
As shown in Exhibit 3, Canada was a standout performer over the 12 months to the end of April 2026, helped by its relatively high commodity exposure. Gold in particular rallied strongly as investors sought a safe haven during a period of macroeconomic uncertainty. It is interesting to note that while there has been an intense focus on the performance of the US market, in US dollar terms, Canada outperformed the US over the last one and five years and was broadly in line over the last three years to the end of April 2026. Despite better relative performance, Canada remains more attractively valued compared with the US and the world market. At 30 April 2026, it was trading at forward P/E discounts of c 24% and c 15% respectively, while offering a higher dividend yield.

Exhibit 3: Index net returns at end April 2026 (US$,%)



Source: MSCI, Edison Investment Research

Exhibit 4: Valuation metrics at end April 2026



Source: MSCI, Edison Investment Research

Exhibit 5: S&P/TSX Index sector performance (% unless stated)

	4M26 TR (%)	2025 TR (%)	2024 TR (%)	2023 TR (%)	2022 TR (%)	2021 TR (%)	2020 TR (%)	Number of cos	Weight (%)
Energy	32.6	19.3	23.8	6.7	30.9	49.0	(26.6)	37	18.1
Utilities	11.3	19.7	13.8	0.2	(10.6)	11.7	15.3	14	3.5
Financials	8.5	35.3	30.1	13.9	(9.4)	36.6	1.7	24	33.1
Healthcare	8.2	0.4	8.2	18.3	(61.6)	(19.6)	(23.0)	4	0.3
Industrials	6.0	3.1	9.7	11.9	1.5	16.5	17.0	29	10.4
Materials	5.1	100.7	21.4	(1.3)	1.8	4.1	21.2	60	17.7
Consumer staples	2.3	12.8	19.1	12.2	10.1	22.4	4.3	10	3.2
Consumer discretionary	2.0	31.0	11.9	11.0	(6.0)	18.5	17.1	9	3.2
Real estate	0.1	4.2	5.6	7.1	(21.5)	37.5	(8.7)	19	1.4
Communication services	(1.1)	11.0	(21.1)	(3.9)	(2.6)	24.7	(3.7)	5	1.8
Information technology	(18.3)	23.1	38.0	69.2	(52.0)	18.5	80.7	9	7.4
S&P TSX Composite	**7.9**	**31.7**	**21.7**	**11.8**	**(5.8)**	**25.2**	**5.6**	**220**	**100.0**

Source: Bloomberg, Edison Investment Research. Note: Total returns. Data at 30 April 2026.

Canadian equities started 2026 with a strong performance, but March was tough due to the start of the war in Iran. Stocks rebounded in April as markets have been supported by robust earnings. The energy sector has dominated the performance of the Canadian market, providing a headwind for diversified funds. However, looking at the volatility of sector returns in recent years (Exhibit 5), diversification is likely to have been beneficial for portfolio returns.

It is worth reiterating that while Canada is associated with financial, material and energy stocks, these sectors made up more than two-thirds of the S&P/TSX Composite index market but a lower 55% of the constituents at the end of April 2026. Hence, there are plenty of other opportunities in Canada, which may not be fully appreciated by global investors.

The manager's view on the Canadian investment backdrop

Eckel reports that the Canadian economy remains somewhat muted, with recent GDP data in line with the Bank of Canada forecast of +1.5% growth in 2026. The consensus forecasts are in the low 1.0% range for 2026 and mid- to upper-1.0% range for 2027. Monthly data has been volatile, and the considerable uncertainty regarding the upcoming CUSMA (the Canada-US-Mexico free trade agreement) negotiations makes future economic growth difficult to predict. Currently, around 85% of Canada's trade with the US is sheltered from most tariffs under CUSMA. Looking to areas of strength and weakness within the Canadian economy, the resources sector has been robust, supported by higher commodity prices, while manufacturing and other areas most negatively affected by tariffs have been under pressure.

According to the manager, in recent months, there has not been much change in the economic effects of the friction between Canadian Prime Minister Carney and US President Trump. However, there have been quite a few pronouncements of 'irritations', particularly from the US side. As examples, several Canadian provinces have removed US alcohol from their shelves and there has been supply management in the dairy industry, but these 'irritations' could be seen as posturing ahead of trade negotiations. The 'buy Canada' theme remains in place and there are less Canadian visitors in the US than there used to be, but conditions appear to have settled down after an initial adjustment period.

As experienced elsewhere, the war in the Middle East has led to higher oil prices in Canada. This could lead to higher inflation, but will depend on how long the supply chain is disrupted. So far, global stock markets have taken the conflict in their stride. On 29 April 2026, the Bank of Canada held its policy interest rate steady at 2.25%, noting many uncertainties need to be considered such as war, inflation and upcoming trade negotiations, and their impact on growth expectations and employment.

Current portfolio positioning

At the end of April 2026, CGI's top 10 holdings made up 36.5% of the portfolio, which was broadly in line with 12 months earlier. Four positions were common to both periods.

Exhibit 6: Top 10 holdings at 30 April 2026

Company	Country	Industry	30-Apr-26	30-Apr-25
Celestica	Canada	Electronic components	6.0	N/A
NVIDIA Corporation	US	Semiconductors	4.5	3.8
Franco-Nevada Corp	Canada	Gold mining	4.5	4.6
Cameco	Canada	Uranium	3.7	N/A
TFI International	Canada	Transport & logistics	3.3	N/A
Canadian Pacific Kansas City	Canada	Railroads	3.3	3.9
First Quantum Minerals	Canada	Metals & mining	2.9	N/A
Royal Bank of Canada	Canada	Banks	2.9	N/A
Bank of Montreal	Canada	Iternet Services	2.8	N/A
Dollarama	Canada	Multiline retail	2.6	3.5
Top 10 total			**36.5**	**36.6**

Source: CGI, Edison Investment Research. Note: N/A where not in end April 2025 top 10.

There was a notable change in CGI's sector exposure in the year to 30 April 2026, with a 6.7pp higher energy weighting, bringing it in line with the index allocation, as the manager invested further in uranium stocks, including adding to NexGen Energy and a new position in Denison Mines, which is a pure-play uranium company with a sizeable portfolio of assets in the prolific Athabasca Basin in Canada. Uranium now makes up almost half of the energy weighting. There is a lower technology weighting (-3.5pp) as the manager has taken some profits such as in Apple and NVIDIA, while the allocation to financial stocks declined by 2.3pp, increasing the underweight exposure to c 21pp.

Considering positive investment themes within the portfolio, Eckel likes uranium stocks as long-term investments but sees shorter-term stock movements more difficult to assess. He remains positive on gold stocks but notes an unexpected move at the beginning of the war in Iran, when gold stocks declined rather than moving up as a 'safety' trade. The manager is looking for a favourable entry point as he believes that gold prices will remain high and there will be good future demand. Moving to energy, Eckel comments that these stocks have been volatile, with wild swings and reversals, making it difficult to determine whether they will have staying power. Taking these sector uncertainties into account, Eckel reiterates that the most important feature of CGI's long-term success has been investing in companies that can outperform at an individual level. He is depending on these names 'to lead the way, as that has been done forever in the fund'.

Exhibit 7: Portfolio sector exposure versus the benchmark (% unless stated)

Sector	Portfolio at 30 April 2026	Portfolio at 30 April 2025	Change (pp)	Benchmark at 30 April 2026	Active weight (pp)
Industrials	21.6	21.2	0.4	10.4	11.2
Information technology	18.4	21.9	(3.5)	7.4	11.0
Energy	18.1	11.4	6.7	18.1	0.0
Materials	15.5	13.6	1.9	17.7	(2.2)
Financials	12.2	14.5	(2.3)	33.1	(20.9)
Consumer discretionary	9.6	9.8	(0.2)	3.2	6.4
Real estate	2.5	4.2	(1.7)	1.4	1.1
Communication services	1.3	0.6	0.7	1.8	(0.5)
Healthcare	0.0	0.0	0.0	0.3	(0.3)
Consumer staples	0.0	0.0	0.0	3.2	(3.2)
Utilities	0.0	0.0	0.0	3.5	(3.5)
Cash & cash equivalents	0.8	2.8	(2.0)	0.0	0.8
Total	**100.0**	**100.0**		**100.0**	

Source: CGI, Edison Investment Research. Note: Numbers subject to rounding.

Recent portfolio activity

Despite an above-average level of activity in recent months, portfolio turnover is similar to levels seen in 2025. Eckel focuses on a few of the new additions in the fund.

Aecon Group was added to the portfolio. It is a Canadian construction and infrastructure development company delivering integrated solutions to private- and public-sector clients. The company is in the final stages of transforming its business model, where lower-margin businesses have been sold and the focus on higher-margin businesses is already showing up in its financial results. The latest annual revenue growth was 28%, with 85% organic and 15% acquired revenues. Aecon has a substantial growing backlog, which stands at a record C$10.7bn. It is the leading contractor for Canada Deuterium Uranium (CANDU) reactors, so has benefited from growth in this area and now represents c 30% of total revenues. Aecon has good diversification in other areas such as civil, utilities, industrials and power, and is well-positioned to benefit from the Canadian government's desire to accelerate major infrastructure projects.

There is a new holding in **Aritzia**, which is an 'everyday luxury' fashion clothing retailer. The company is growing strongly and taking market share. With its 139 stores, 68 in Canada and 71 in the US, further Canadian store roll-out looks unlikely, but there are long-term growth opportunities in the US. Aritzia's management is targeting 150 US stores, with a minimum of 10 new openings a year. The company's fundamentals are robust, with revenue growth above 20% and margin expansion. It has a very strong e-commerce platform, selling into 180 countries, with revenue growth above 30%. This division represents around 35% of total revenues.

Another new addition to the portfolio is **Bombardier**, which is a leading manufacturer of business jets. The company has undergone a major transformation since exiting the regional jet business. Business jet end-market conditions are very strong, supporting 150+ Bombardier annual deliveries over a multi-year period. The company is expanding its facility capacity to satisfy a record backlog and delivery schedule. Although defence spending is only around 6% of revenues, this business is expected to triple by 2030 and could grow even faster with announced military budget increases. Bombardier is already a partner with SAAB on the GlobalEye platform as its Global 6500 jet is ideally suited for retrofit for surveillance and other military applications. Building out a higher-margin aftermarket business should increase Bombardier's recurring revenue.

Performance: An enviable long-term record

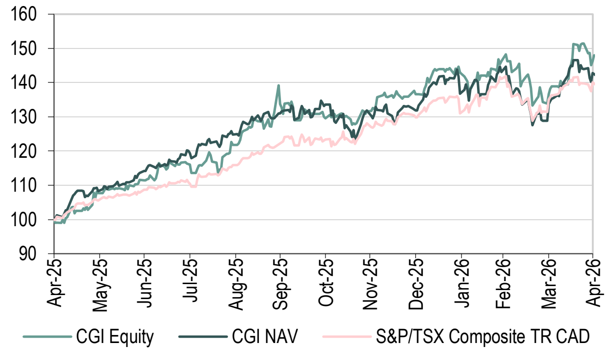
Excluding Pershing Square Holdings, there are now just five companies in the AIC North America sector. CGI is the only Canadian fund following Middlefield Canadian Income's conversion to an active exchange traded fund. CGI has above-average NAV total returns over the last one, five and 10 years, ranking first and second out of five over one and five years respectively and second out of four over the last decade. The company continues to have, by far, the widest discount and the highest ongoing charge. CGI has the highest level of gearing and an average dividend yield; unsurprisingly ranking third behind the two income funds in the sector.

Exhibit 8: AIC North America sector (excluding Pershing Square Holdings) at 6 May 2026 (£)*

% unless stated	Market cap (£m)	NAV TR 1Y	NAV TR 3Y	NAV TR 5Y	NAV TR 10Y	Discount	Ongoing charge	Performance fee	Net gearing	Dividend yield
Canadian General Investments	583.4	39.2	54.0	57.6	335.2	(41.1)	1.4	No	112	2.2
Baillie Gifford US Growth	923.7	26.0	81.7	9.8		4.3	0.8	No	103	0.0
BlackRock American Income	145.9	30.1	46.6	57.4	198.2	0.8	0.8	No	100	4.6
JPMorgan American	1,953.6	24.2	73.7	87.7	366.8	(3.8)	0.8	No	107	1.0
North American Income Trust	469.2	21.2	36.3	36.0	106.8	(2.9)	0.8	No	107	3.1
Average	**815.2**	**28.1**	**58.5**	**49.7**	**251.8**	**(8.5)**	**0.8**		**106**	**2.2**
Rank (out of 5 funds)	**3**	**1**	**3**	**2**	**2**	**5**	**1**		**1**	**3**

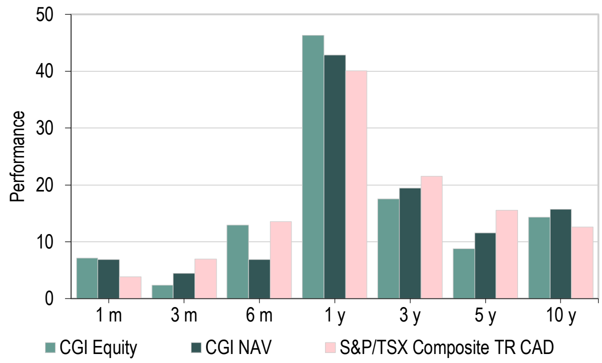
Source: Morningstar, Edison Investment Research. Note: *Performance to 5 May 2026. TR = total return.

Exhibit 9: Price, NAV and benchmark total return, one year rebased



Source: LSEG Data & Analytics, Edison Investment Research

Exhibit 10: Price, NAV and benchmark total return (%)



Source: LSEG Data & Analytics, Edison Investment Research. Note: Three-, five- and 10-year figures annualised.

In FY25, CGI's NAV and share price total returns of +18.1% and +19.9% respectively lagged the benchmark's +31.7%

total return. The Canadian market was led by gold and bank stocks, which together made up more than 60% of the gain. Gold experienced its strongest rally and largest currency gains in more than four decades. The gold price rallied by more than 60% as this asset was once again viewed as a safe haven. Eckel has been reducing CGI's underweight gold exposure, but the fund also has a position in Franco Nevada Mining (a major positive contributor since purchased at IPO in 2007), which has less leverage to the commodity price than other gold-related names.

Constellation Software and Descartes Systems were two detractors to CGI's performance due to the perceived competitive threat from AI. However, Celestica has been a major beneficiary of the growth in AI due to its leading capabilities in the design and fulfilment of specialised equipment required for data centre build-out. The position was initiated in mid-2024 and Celestica's share price more than tripled in 2025. First Quantum Minerals was a major positive contributor as its share price almost doubled in 2025, partly due to an improving copper price and growing optimism regarding resolution for its Cobre Panama mine. Two other significant positive contributors were long-term holdings in Dollarama (purchased at IPO in 2009 and has since been the best performing Canadian stock) and Shopify, a global e-commerce company that has refocused on growth initiatives and delivered very strong results in the last two years.

Exhibit 11: Five year discrete performance

12 months ending	Share price (%)	NAV (%)	S&P/TSX Composite (%)	MSCI Canada (%)	MSCI World (%)
30/04/22	6.3	(2.6)	11.6	11.6	0.7
30/04/23	(11.7)	4.0	2.7	3.3	10.1
30/04/24	13.8	15.3	8.7	10.2	20.5
30/04/25	(2.4)	3.5	17.8	19.1	13.3
30/04/26	46.3	42.8	40.1	38.9	27.8

Source: LSEG Data & Analytics, Edison Investment Research. Note: All % on a total return basis in Canadian dollars.

Exhibit 12: Share price and NAV total return performance, relative to indices (%)

	1 month	3 months	6 months	1 year	3 years	5 years	10 years
Price relative to S&P/TSX Composite	3.2	(4.3)	(0.5)	4.4	(9.5)	(25.8)	16.7
NAV relative to S&P/TSX Composite	2.9	(2.4)	(5.8)	2.0	(5.1)	(16.1)	31.0
Price relative to MSCI Canada	2.6	(5.1)	(0.3)	5.3	(10.9)	(27.5)	15.0
NAV relative to MSCI Canada	2.4	(3.1)	(5.6)	2.8	(6.5)	(18.0)	29.1
Price relative to MSCI World	0.2	(1.6)	8.6	14.5	(6.8)	(21.1)	1.7
NAV relative to MSCI World	(0.1)	0.4	2.8	11.8	(2.3)	(10.7)	14.2

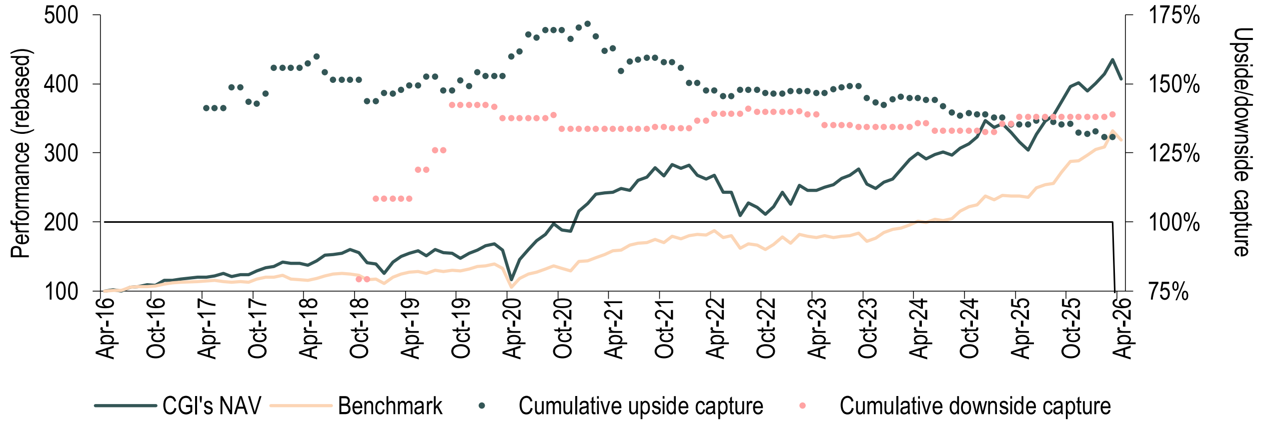
Source: LSEG Data & Analytics, Edison Investment Research. Note: Data to end April 2026. Geometric calculation.

The company's relative returns are shown in Exhibit 12. April 2026 was a strong performance month, which means that CGI is now ahead of the benchmark over the last year in both NAV and share price terms. CGI's solid outperformance over the last decade remains intact. While the company lags the benchmark over the last three and five years, periods of underperformance should not be unexpected given the managers' unconstrained approach. Investors taking a long-term view have been rewarded, as CGI has generated commendable 10.7% and 11.8% share price total returns over the last 25 and 30 years respectively.

CGI's upside/downside capture

In Exhibit 13 we show CGI's upside/downside capture analysis over the last 10 years. Its upside capture rate of 131% and downside capture rate of 139% suggest the company is likely to outperform by around 30% in a rising market and underperform by around 40% in a falling market. It is unsurprising that CGI does not move in line with its benchmark given the managers' unconstrained investment approach and the fund's relatively high level of gearing.

Exhibit 13: CGI's upside/downside capture



Source: LSEG Data & Analytics, Edison Investment Research
Cumulative upside/downside capture calculated as the geometric average NAV TR of the fund during months with positive/negative reference index TRs, divided by the geometric average reference index TR during these months. A 100% upside/downside indicates that the fund's TR was in line with the reference index's during months with positive/negative returns. Data points for the initial 12 months have been omitted in the exhibit due to the limited number of observations used to calculate the cumulative upside/downside capture ratios.

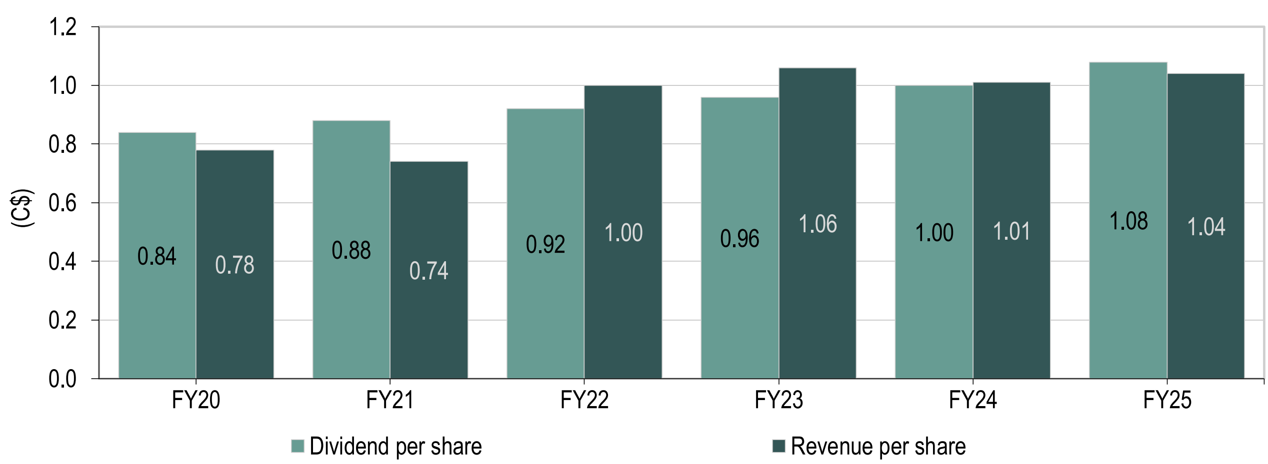
Dividends: Further progression in FY26

CGI pays regular quarterly dividends, which are distributed in March, June, September and December. They may be paid out of income (taxes of 33% paid on income are recoverable) or realised capital gains (taxes paid or payable of around 20% on realised capital gains are also recoverable). Between FY18 and FY24, quarterly dividends were increased by C$0.01 per share, with the annual distribution rising from C$0.70 to C$1.00 per share.

In FY25, there was a step-up in CGI's dividend growth as quarterly payments rose by C$0.02 per share. This meant an 8.0% increase in the annual dividend to C$1.08 per share (two regular and two capital gains dividends), versus the 4.2% increase in FY24 (all regular dividends).

So far in FY26, two regular quarterly dividends of C$0.31 per share have been declared, which are a 14.8% increase year-on-year. The board's progressive dividend policy looks set to continue as CGI has a significant level of unrealised capital gains (C$1.2bn). The company is heading towards a 13-year record of consecutive higher dividends, earning its place as an AIC next-generation dividend hero (funds with 10 years but less than 20 years of consecutive higher annual dividends).

Exhibit 14: Dividend and revenue history since FY20



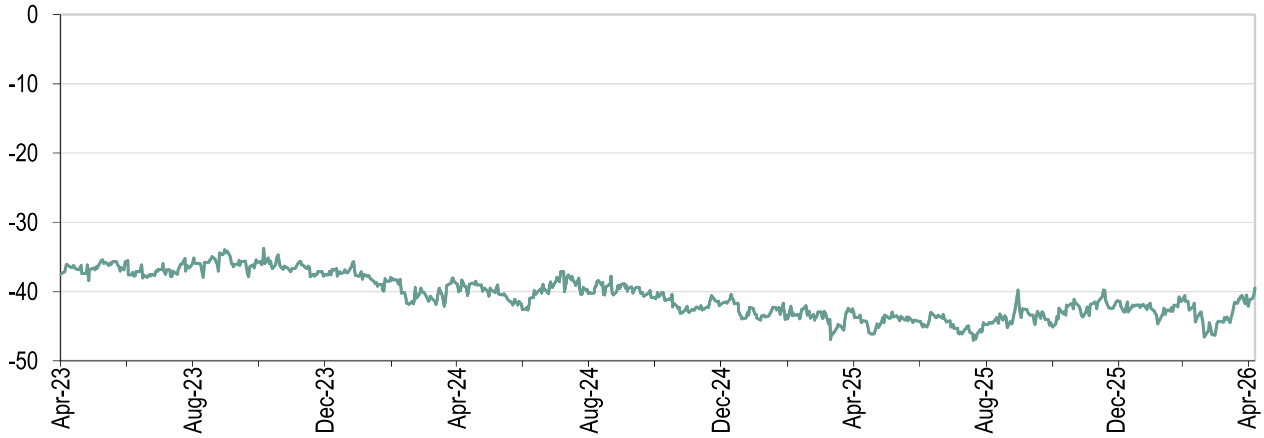
Source: Bloomberg, Edison Investment Research

Valuation: Consistently wide discount to NAV

There have been brief periods when CGI traded at a premium to NAV, but this has not occurred since 1998. The company's shares came close to NAV in 2006, which was during a period where CGI outperformed, oil prices were rising and there was a commodity super cycle.

CGI typically trades at a wide discount to its NAV, as it is unable to repurchase shares to help manage its discount as this would invalidate the company's favourable Canadian investment corporation tax status. The current 41.2% discount is towards the wider end of the 33.8% to 47.1% three-year range. It compares with the 43.4%, 40.7%, 37.3% and 33.8% average discounts over the last one, three, five and 10 years, respectively.

Exhibit 15: Share price discount to NAV over three years (%)



Source: LSEG Data & Analytics, Edison Investment Research

Gearing: Margin borrowing facility

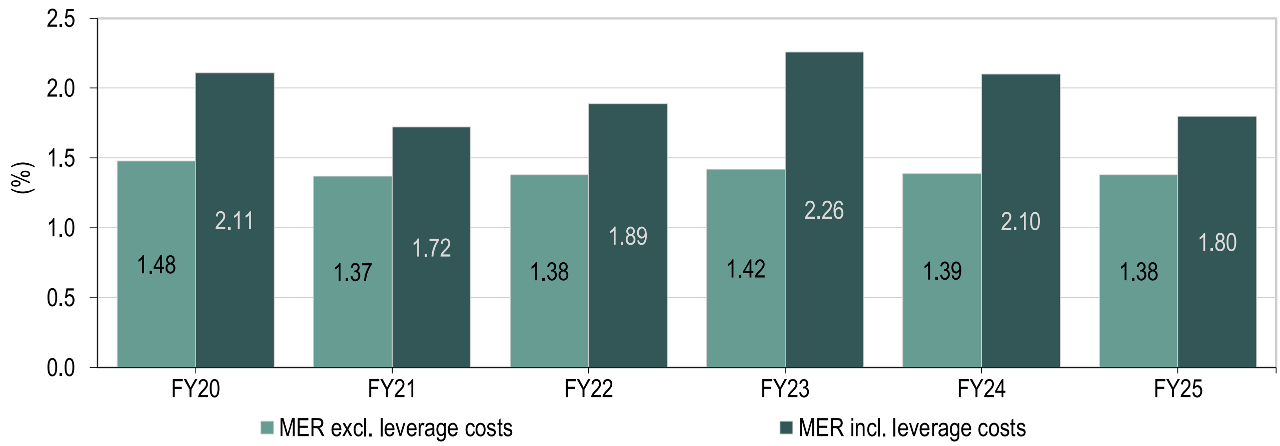
CGI has employed a leveraged strategy since its first issue of preference shares in 1998. Since then, to the end of March 2025, its total return averaged 7.2% per year above its cost of debt. For economic reasons, since the C$75m 3.75% cumulative Series 4 preference shares redemption in June 2023, CGI's leverage is via its margin facility rather than preference shares.

The company has a prime brokerage services agreement with a Canadian chartered bank at a rate of the Canadian Overnight Repo Rate Average plus 0.42% per annum. CGI is required to pledge securities as collateral for margin borrowings, which are currently C$225m, this was recently increased from C$200m as leverage had hit all-time lows.

Fees and charges

MMA is paid a management fee that is calculated and paid monthly at 1.0% per year of the market value of CGI's investments, adjusted for cash, portfolio accounts receivable and portfolio accounts payable; no performance fee is payable. In FY25, the annualised management expense ratio (MER) including leverage costs was 1.80%, which was 30bp lower than 2.10% in FY24. Excluding leverage costs, which makes the MER more comparable with the ongoing charge figure used in the UK, in FY25 it was 1.38%, which was 1bp lower year-on-year.

Exhibit 16: Management expense ratio since FY20

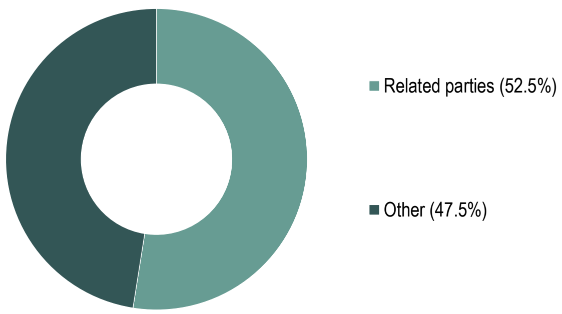


Source: CGI, Edison Investment Research. Note: Leverage costs include preference dividends, interest and financing charges.

Capital structure

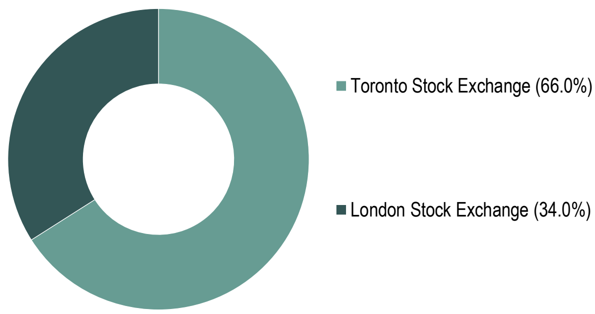
CGI has 20.9m ordinary shares in issue, 52.5% of which are directly or indirectly owned by two of the company's directors, Jonathan Morgan and Vanessa Morgan. Hence, CGI has a free float of 9.9m shares (47.5% of the total) with these holders split broadly 35:65 between Canada and international. Over the last 12 months, the company had an average daily trading volume of c 7.7k shares on the Toronto Stock Exchange and c 3.9k shares on the London Stock Exchange.

Exhibit 17: Major shareholders



Source: CGI. Note: At 30 April 2026.

Exhibit 18: Daily volume (last 12 months)



Source: Bloomberg

The board

CGI's board has seven directors; three non-independent and four independent directors, who collectively have an average tenure of around 11 years.

Vanessa Morgan is chair of CGI and president and CEO of MMA. She joined CGI's board in 1997. Jonathan Morgan, president and CEO of CGI and executive vice-president and COO of MMA, joined the board in 2001. Clive Robinson is the former head of MMA's private wealth management business. He joined the board in 2024.

The four independent directors and their years of appointment are Michelle Lally (2015), Marcia Lewis Brown (2020), Sanjay Nakra (2023) and Michael Walke (2023).

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