

A black and white photograph of two mountain goats standing on a dark, craggy rock face. The goat on the left is standing upright, facing slightly towards the camera, while the goat on the right is in a more crouched position, looking towards the left. The background is a steep, textured rock wall.

CG Asset Management

Q4 2024 Webinar

January 2025

cgam

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Funds Summary

Strategy	Fund	ISIN	Launched	AUM ⁶	Dealing Frequency	AMC Fee	TER
Absolute Return Long only investments in a portfolio of bonds, equities and commodities	Capital Gearing Trust	GB0001738615	1982 ¹	£910m	Listed	0.40% ³	0.55%
	CG Absolute Return (EUR Hedged, USD Hedged available)	IE00BYQ69B30	2016	£810m	Daily	0.35%	0.45%
	Capital Gearing Portfolio (P,V shares)	IE00BG5Q6F12	2001	£240m	Daily	0.75%	0.84%
Real Return Long only investments in index linked bonds	CG Real Return Fund (GBP Hedged available)	IE0034304117	2004	£370m	Daily	0.30% / 0.20% ⁴	0.39%
	CG Dollar Fund (GBP Hedged, EUR Hedged and USD Unhedged available)	IE00B41GP767	2009	£550m	Daily	0.25% / 0.15% ⁵	0.35%
	CG UK Index-Linked Bond Fund	IE000ZSVG218	2023	£12m	Daily	0.15%	0.24%

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 listed on the Dublin Stock Exchange; ³ Tiered fee structure, marginal rate is 0.3% above £500m; ⁴ 0.3% below £500m, 0.2% above; ⁵ 0.25% below £1,000, 0.15% above; ⁶ As at 30 November 2024

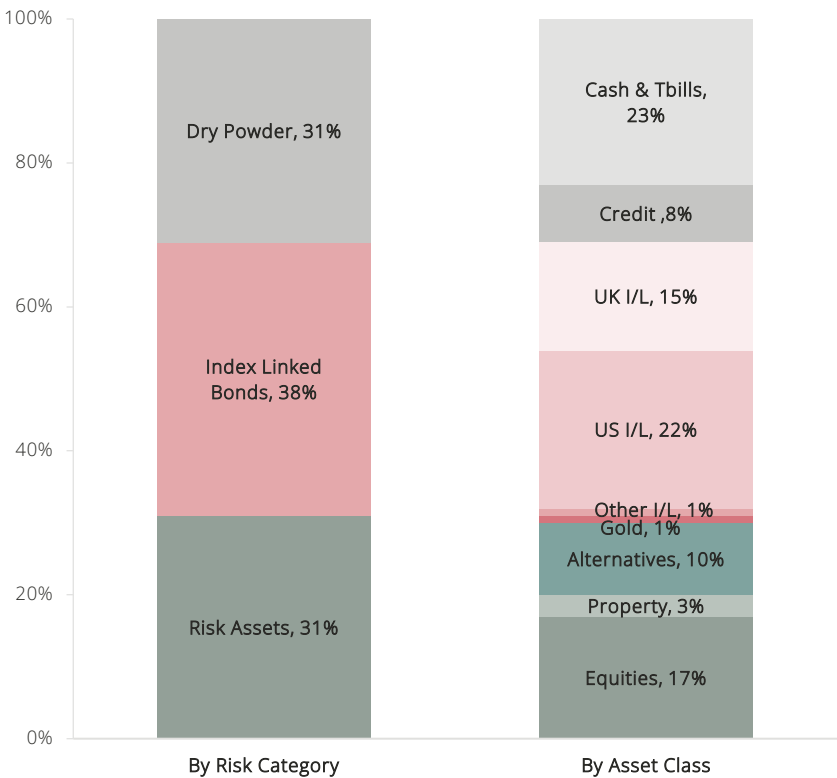
Positioning and Returns

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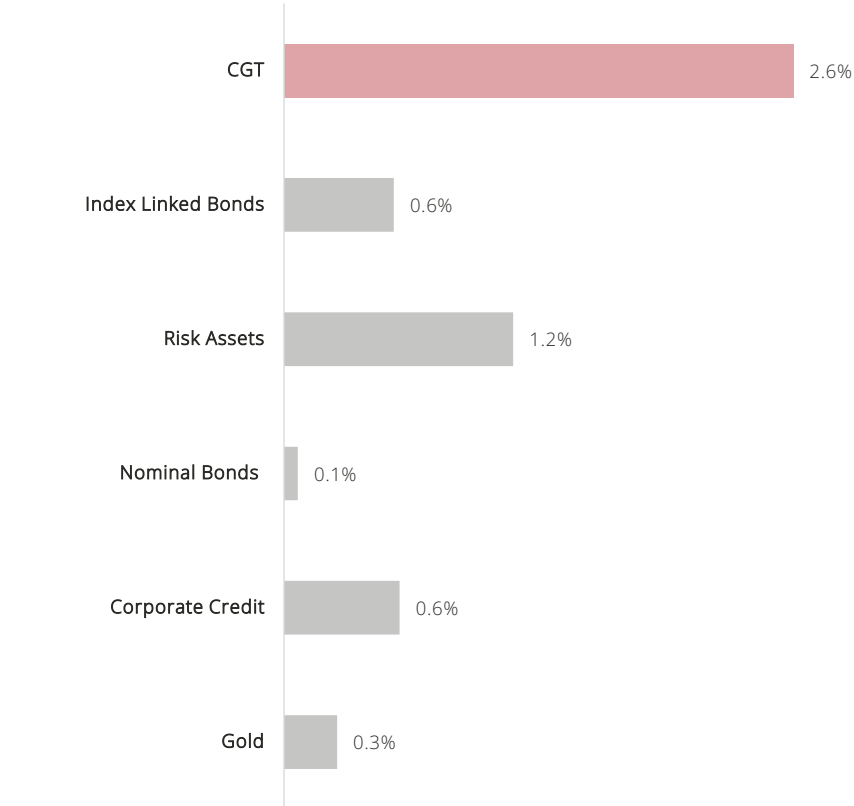


We took an increasingly defensive stance over the last quarter

CGT Asset Allocation December 2024



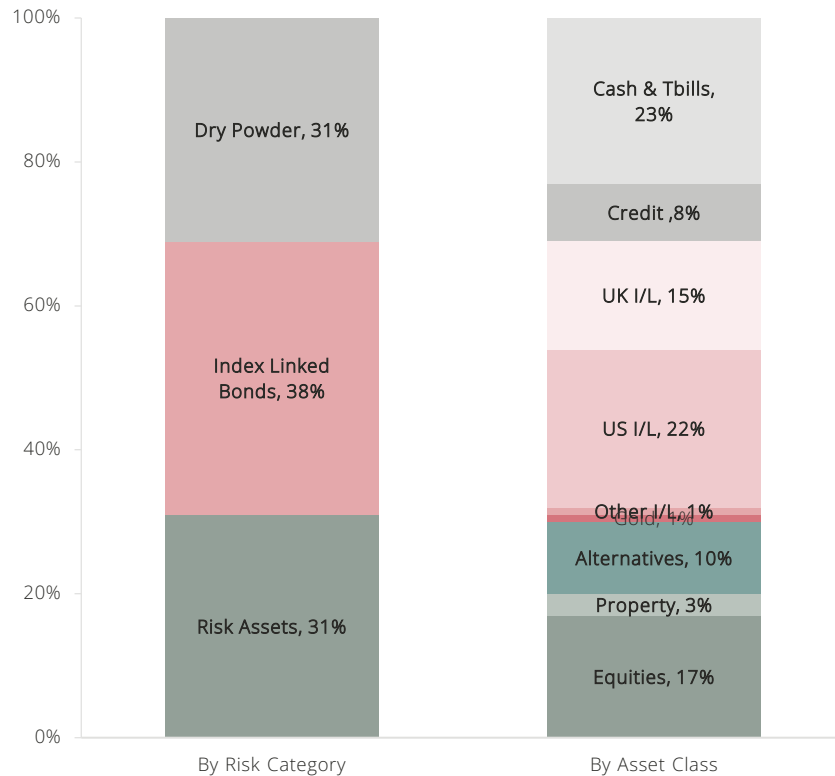
NAV Contribution by Asset Class LTM December 2024



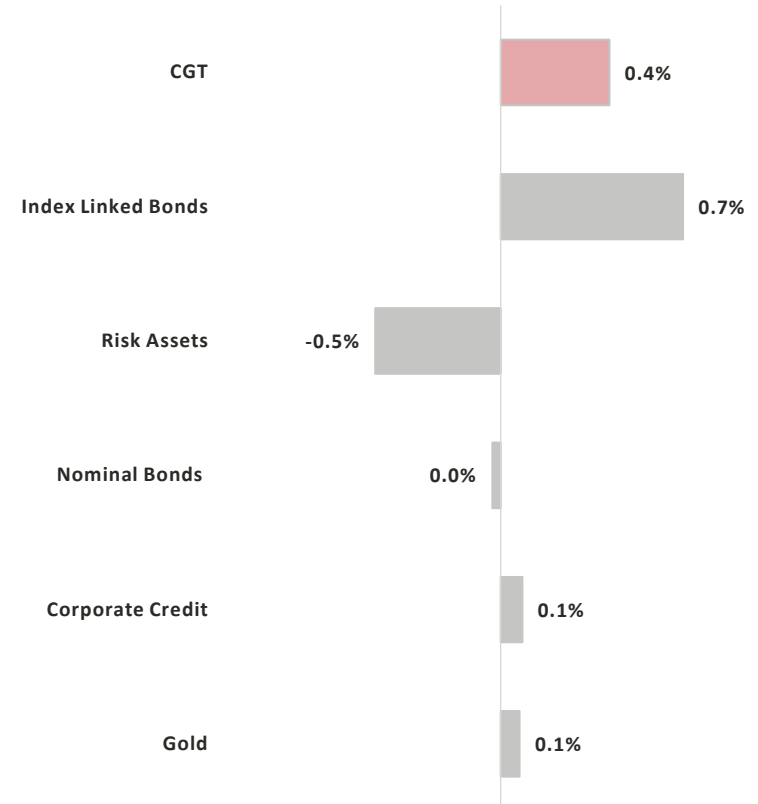
Total performance net of fees
Source: CGAM, Bloomberg Finance L.P., Northern Trust

Infrastructure was the main detractor from performance

CGT Asset Allocation December 2024



NAV Contribution by Asset Class QTD December 2024



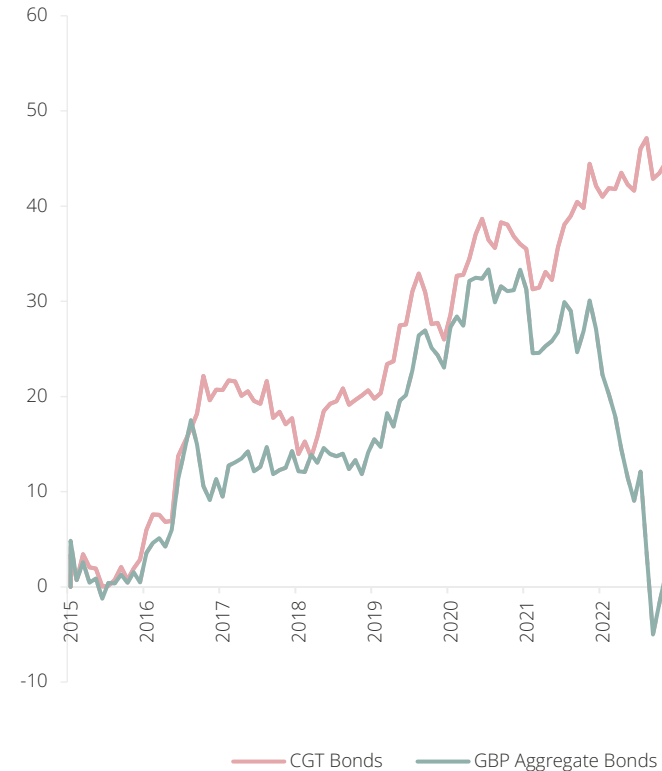
Total performance net of fees
Source: CGAM, Bloomberg Finance L.P., Northern Trust

Our bonds continued to show strong outperformance relative to benchmark

CGT Risk Assets Returns Performance to December 2024¹



CGT Bonds Only Returns Performance to December 2024¹



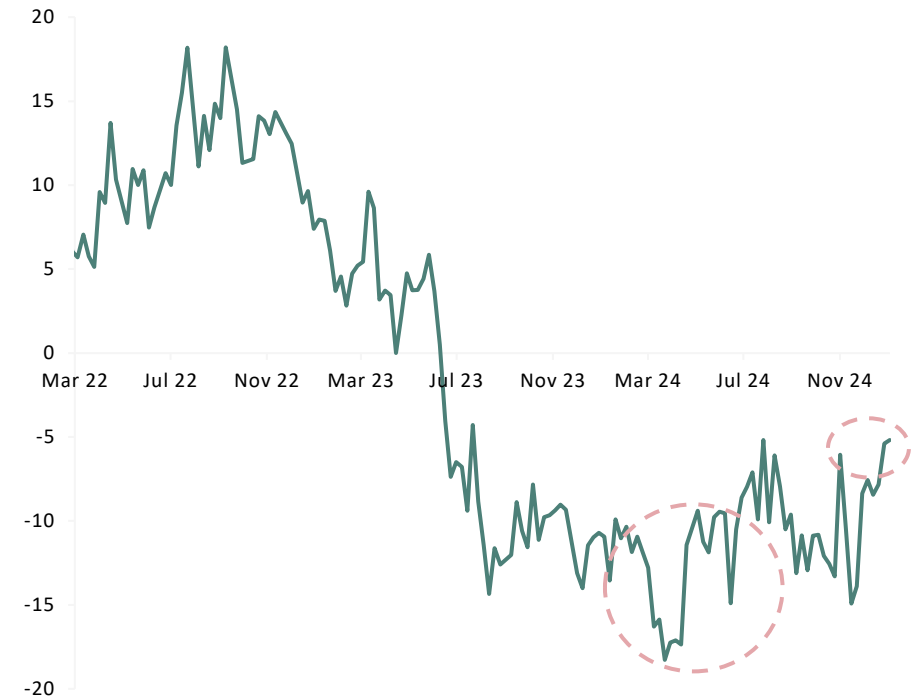
¹Risk Assets include equities, property, alternatives and gold. Bonds include credit and sovereign bonds (excluding T-Bills and cash), start period reflects the longest period available for CGT under Bloomberg AIM
Source: Bloomberg Finance L.P., Northern Trust

We took advantage of volatile discounts in investment trusts

BH Macro: Share Price (GBp)



BH Macro: Premium (+) / Discount (-) %¹

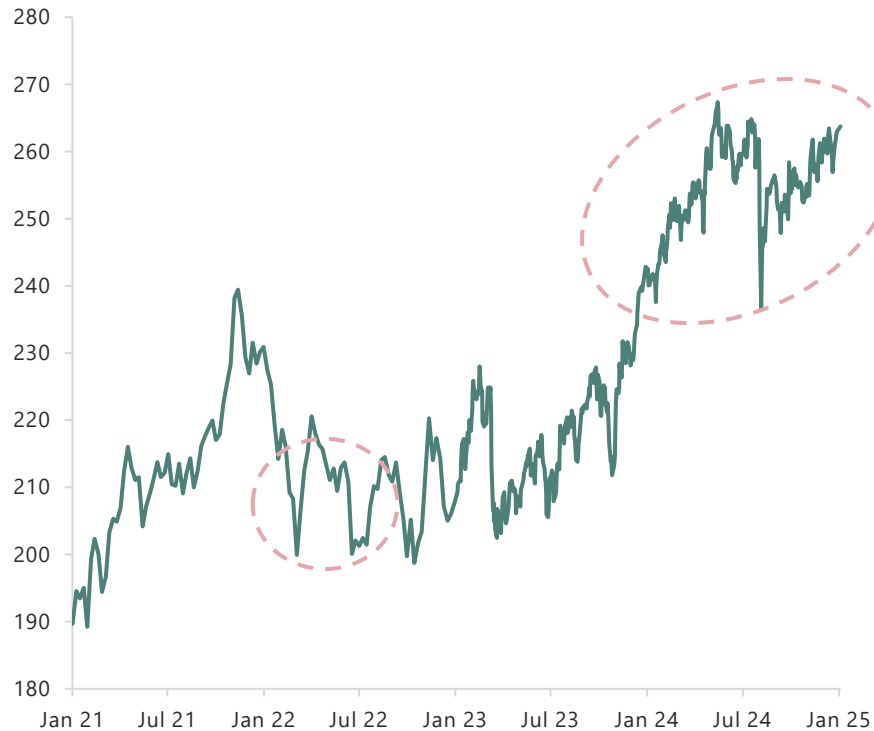


1. Net asset values are reported on weekly basis BHMG and monthly for RIT

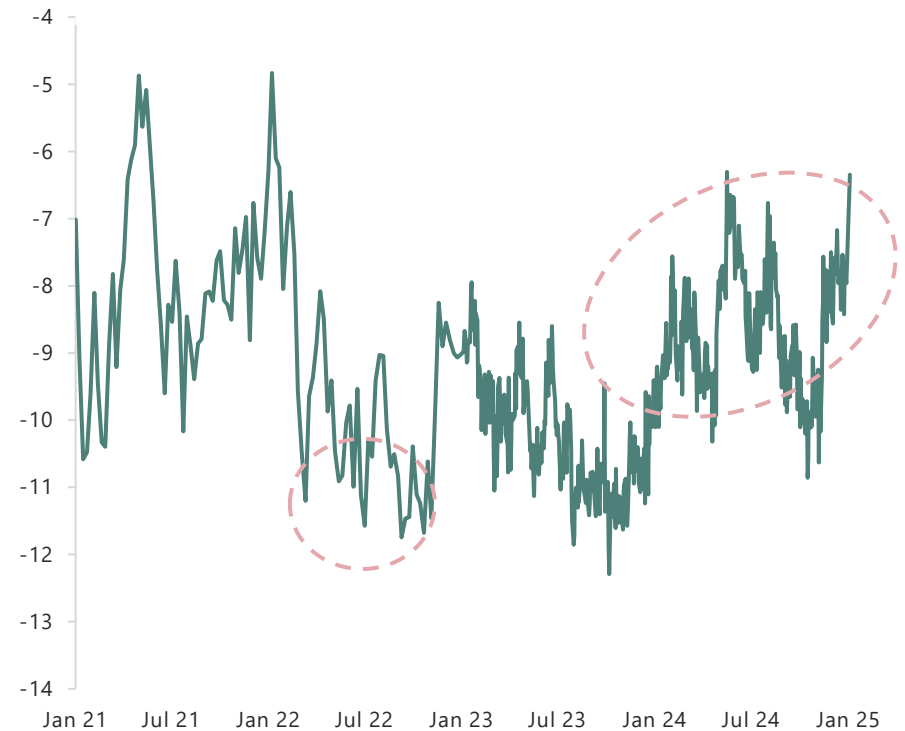
Source: Bloomberg Finance L.P.

And we harvested a number of successful situations

AVI Global: Share Price (GBp)¹



AVI Global: Share Price (GBp): Premium (+) / Discount (-) %¹



1. Net asset values reported on a weekly basis

Source: Bloomberg Finance L.P.

We have also increased our special situations and activist positions

PRS REIT: Share Price (GBp)



Source: Bloomberg Finance L.P.

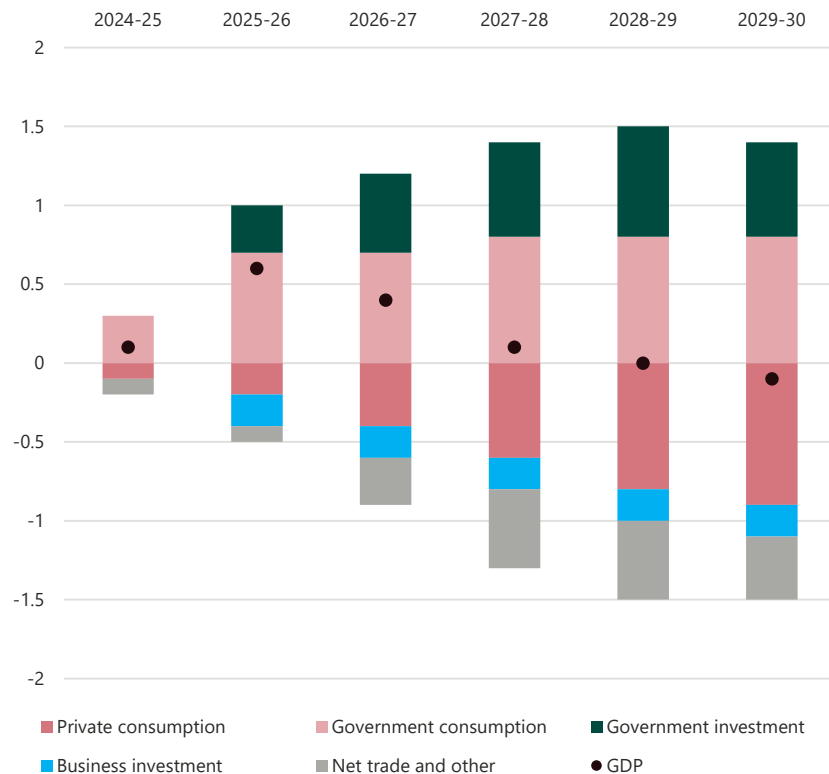
Outlook

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Macro outlook

#1. UK: The UK Budget has increased spending, tax and borrowing. Without supply side reform, it will reduce corporate profits and weigh on growth...

Impact of Budget measures on decomposition of UK real GDP (%)

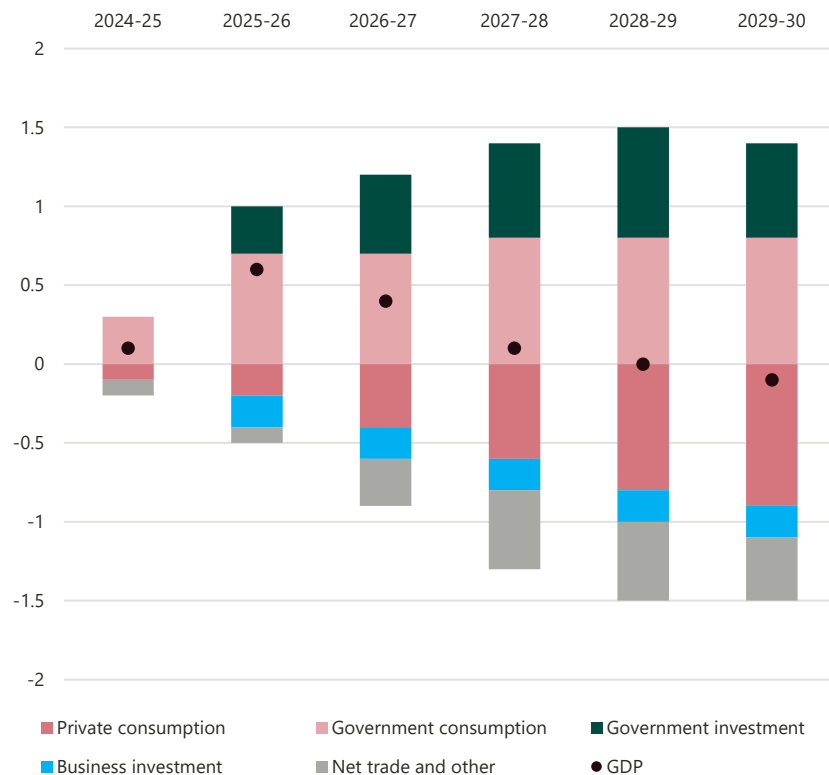


Source: Office for Budget Responsibility, Bank of England, Bloomberg Finance LP.

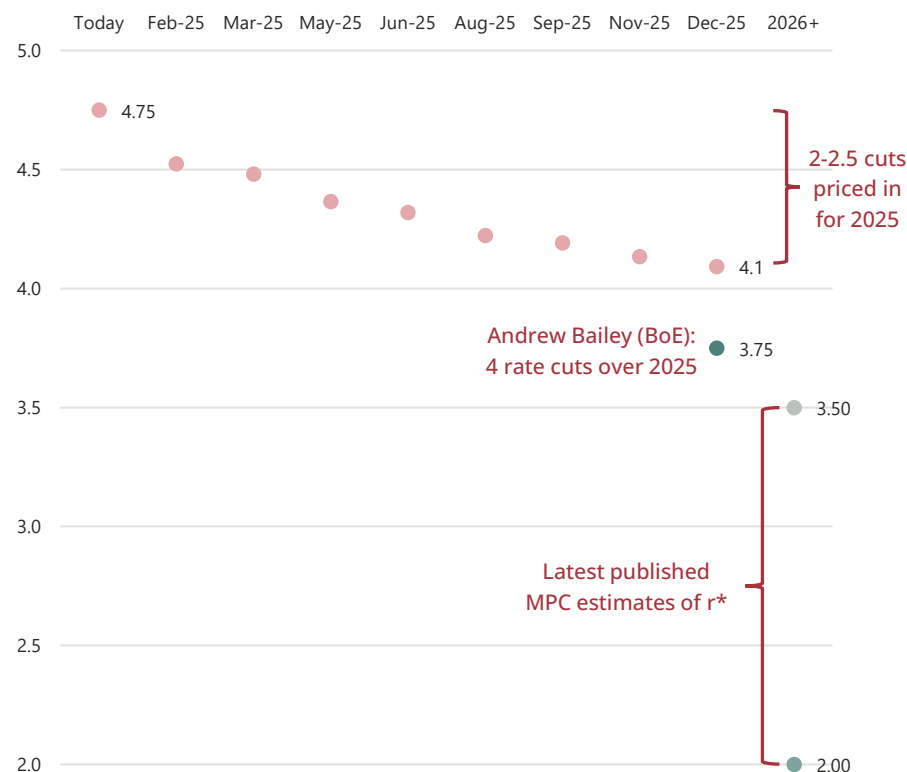
Macro outlook

#1. UK: ...in which case short-term interest rates, which are currently at levels well above policymaker expectations, may have upside.

Impact of Budget measures on decomposition of UK real GDP (%)



UK OIS curve vs. policymaker estimates of Bank Rate



Source: Office for Budget Responsibility, Bank of England, Bloomberg Finance LP.

Macro outlook

#2. US: The Trump economic plan will increase productivity and GDP growth – but will also raise the national debt and interest burden.

Headline economic impacts of Trump's tax proposals



Distributional impacts of Trump's tax and tariff proposals

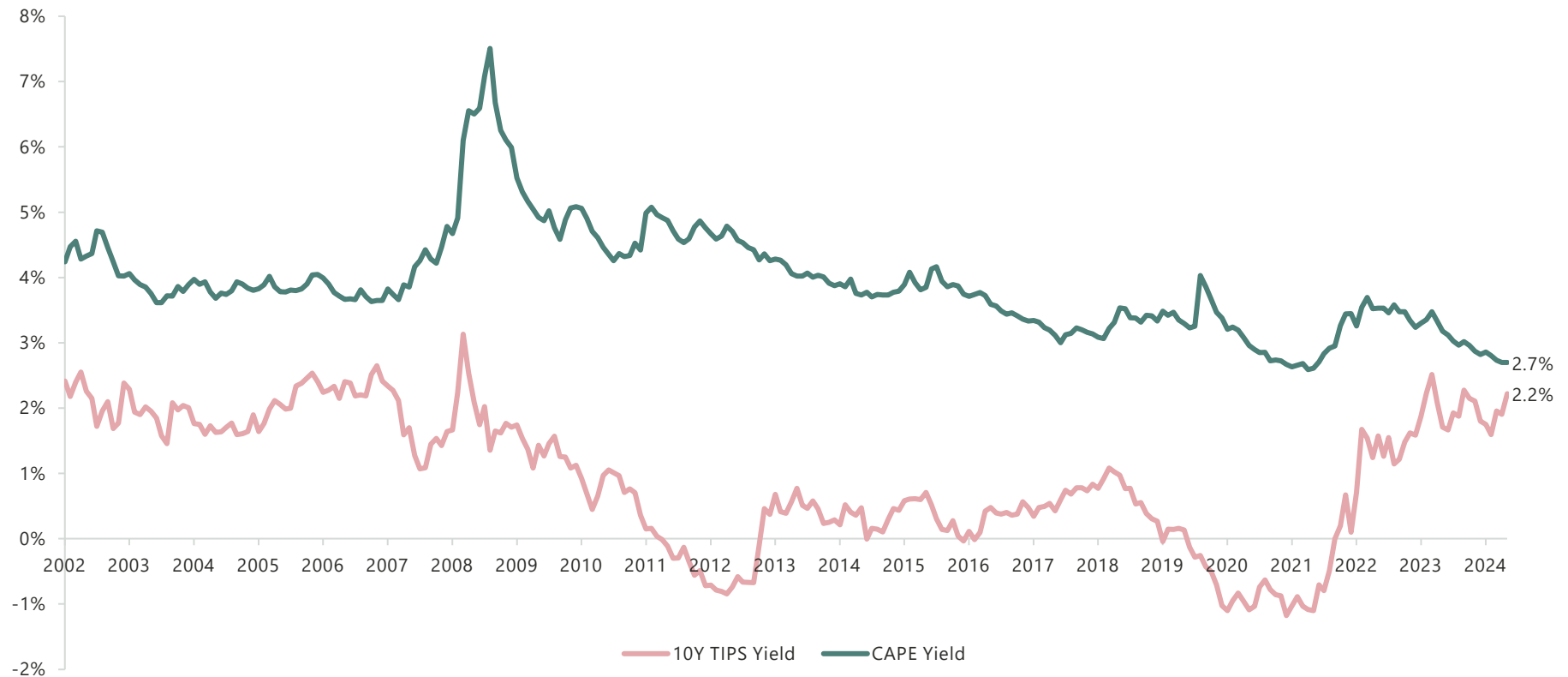


Source: Tax Foundation. Estimates forecast over 10-year horizon of 2025-2034.

Macro outlook

#2. US: Even with the Trump-led growth impulse, the additional yield from the S&P500 over 10Y TIPS appears inadequate on a risk-adjusted basis.

Prospective returns: S&P 500 vs 10Y TIPS



Source: US Congressional Budget Office, Committee for a Responsible Federal Budget, CGAM calculations.

Macro outlook

#3. Gold: The continued strength of the US dollar has made elevated gold prices more difficult to support, despite increased demand from central banks.

Gold price, spot (\$/Oz) vs. US Dollar Index (DXY)



Source: Bloomberg Finance L.P.

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