

A black and white photograph of two mountain goats with large, curved horns standing on a dark, layered rock face. The goats are positioned in the upper right quadrant of the image. The background is a dark, textured rock wall with horizontal layers.

# CG Asset Management

---

*Q4 2024 Webinar*

January 2025

**cgam**

# Disclaimer

---

CG Asset Management Limited ("CGAM") is authorised and regulated by the Financial Conduct Authority to carry on regulated activities in the United Kingdom.

The information contained in this Document has been prepared by and is the sole copyright of CGAM.

No representation is being made that the Fund or any other fund or account will or are likely to achieve profits or losses similar to those shown and, as with any investment, there is a possibility of profit as well as the risk of loss. Past performance is not indicative of future results.

The information contained in this Document is not investment, tax, accounting or legal advice and does not take into consideration the investment objectives, financial situation or particular needs of the recipient. Investing entails certain risks, including the possible loss of the entire principal amount invested. The recipient of this Document should seek its own financial, tax, accounting and legal advice in connection with any proposed investment.

No representation or warranty is made or given by CGAM or any of its members, officers, employees or affiliates as to the accuracy, completeness or fairness of the information contained in this Document. No responsibility or liability is accepted for any such information. The information in this Document has not been independently verified and is subject at all times to the conditions, caveats and limitations described in this Document. All opinions, projections and estimates constitute the judgment of CGAM as of the date of this Document and are subject to change without notice. The delivery of this Document at any time subsequent to the date of this Document will not under any circumstances create an implication that the information contained herein is correct as of any time subsequent to such date. No reliance may be placed for any purpose whatsoever on the information contained in this Document or on its completeness. Any risk guidelines referred to herein are internal risk guidelines and are subject to change by CGAM without notice to investors.

This Document is not intended to be distributed in any jurisdiction where such distribution is not permitted by the local law. Without prejudice to the generality of the foregoing, this document is not intended, and should not be construed as, marketing of any alternative investment fund for the purposes of any legislation implementing EU Directive 2011/61/EU on Alternative Investment Fund Managers in any member state of the EEA.

The information contained in this Document has not been approved by the UK Financial Conduct Authority or any other regulatory authority, nor has any regulatory authority passed upon the accuracy or adequacy of this Document.

## Overview

# Funds Summary

Strategy	Fund	ISIN	Launched	AUM <sup>6</sup>	Dealing Frequency	AMC Fee	TER
Absolute Return Long only investments in a portfolio of bonds, equities and commodities	Capital Gearing Trust	GB0001738615	1982 <sup>1</sup>	£910m	Listed	0.40% <sup>3</sup>	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% <sup>4</sup>	0.39%
	CG Dollar Fund (GBP Hedged, EUR Hedged and USD Unhedged available)	IE00B41GP767	2009	£550m	Daily	0.25% / 0.15% <sup>5</sup>	0.35%
	CG UK Index-Linked Bond Fund	IE000ZSVG218	2023	£12m	Daily	0.15%	0.24%

<sup>1</sup> Peter Spiller began managing Capital Gearing Trust in 1982; <sup>2</sup> 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; <sup>3</sup> Tiered fee structure, marginal rate is 0.3% above £500m; <sup>4</sup> 0.3% below £500m, 0.2% above; <sup>5</sup> 0.25% below £1,000, 0.15% above; <sup>6</sup> As at 30 November 2024

# *Positioning and Returns*

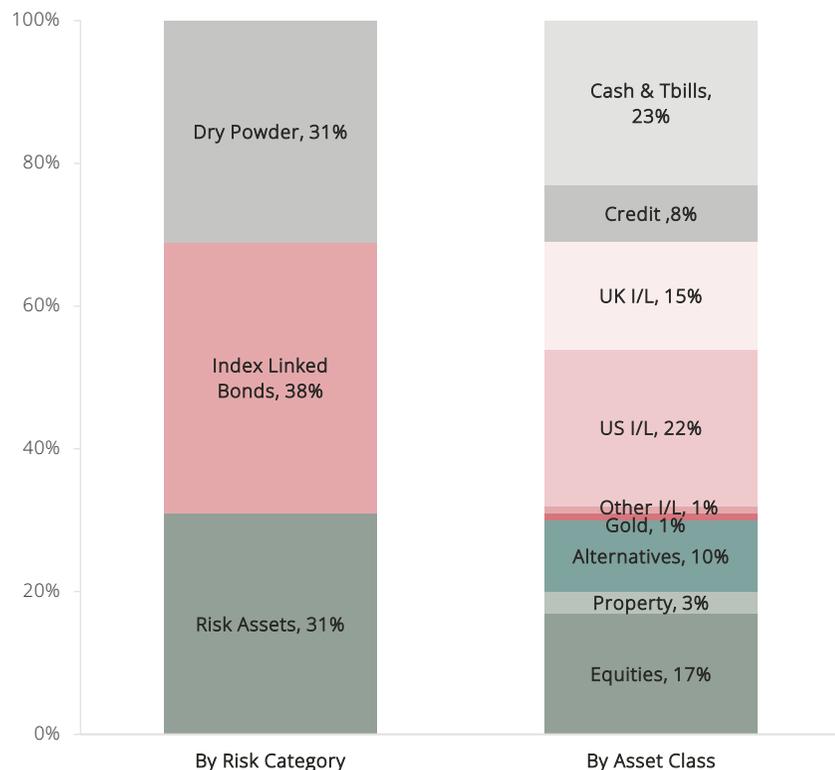
---

*CGAM Q4 2024 Webinar*

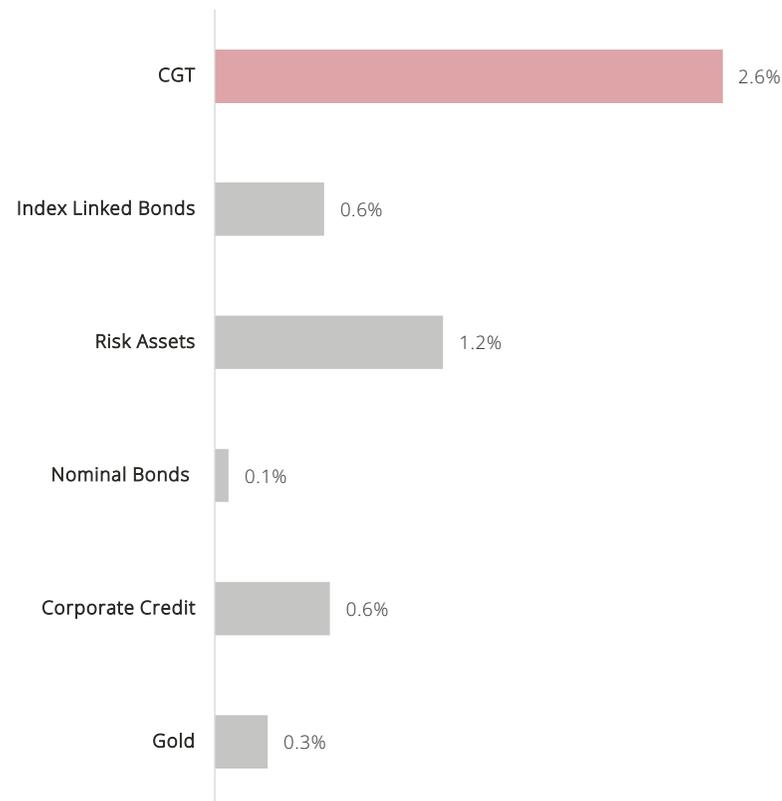


## We took an increasingly defensive stance over the last quarter

CGT Asset Allocation December 2024



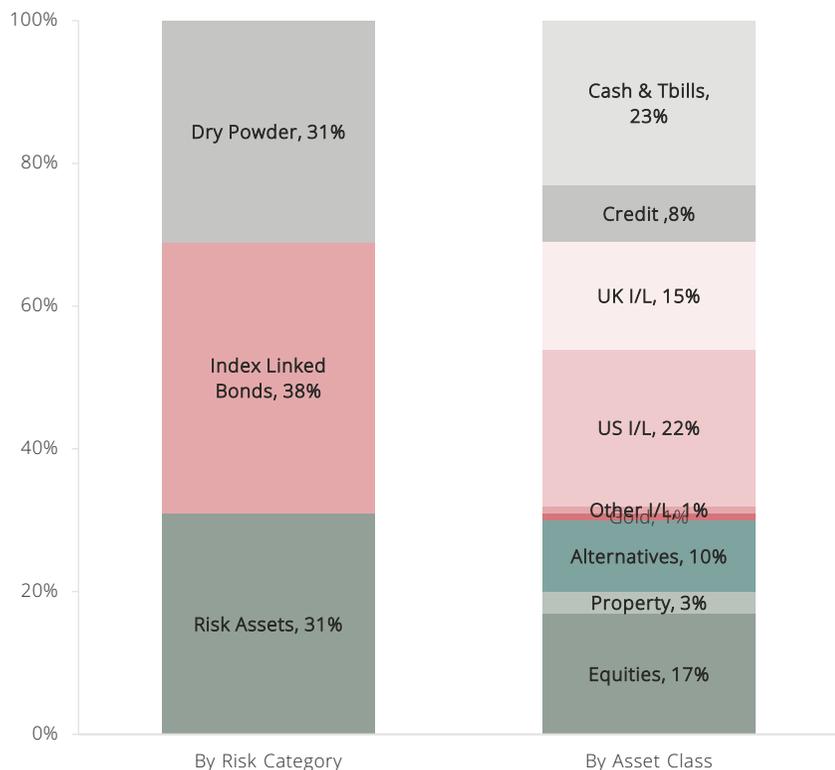
NAV Contribution by Asset Class LTM December 2024



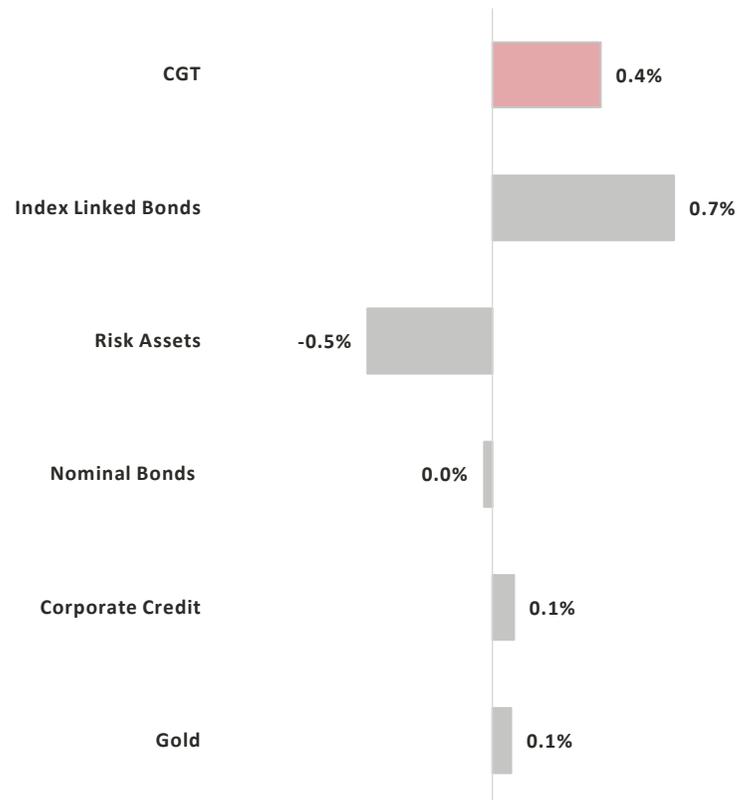
Total performance net of fees  
Source: CGAM, Bloomberg Finance L.P., Northern Trust

# 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 2024<sup>1</sup>



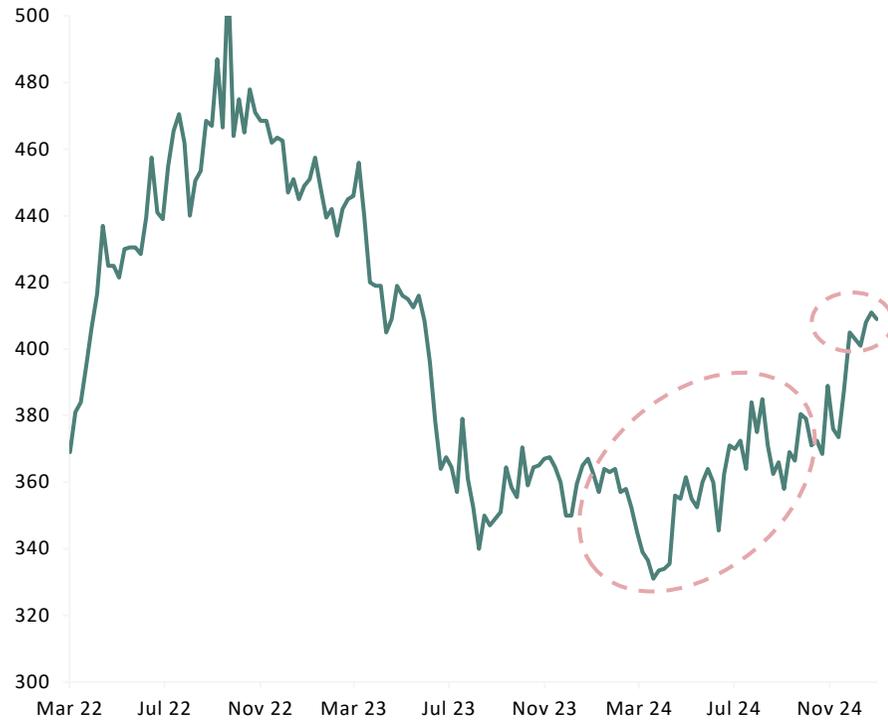
CGT Bonds Only Returns Performance to December 2024<sup>1</sup>



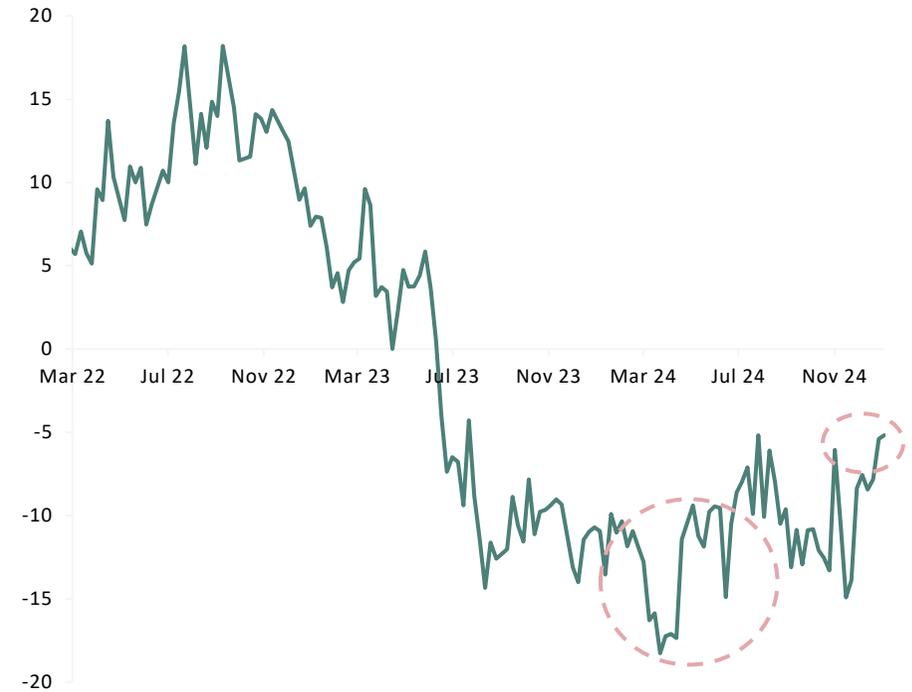
<sup>1</sup>Risk Assets include equities, property, alternatives and gold. Bonds include credit and sovereign bonds (excluding T-Bills and cash), start period reflects the longest period available for CGT under Bloomberg AIM  
Source: Bloomberg Finance L.P., Northern Trust

# We took advantage of volatile discounts in investment trusts

BH Macro: Share Price (GBP)



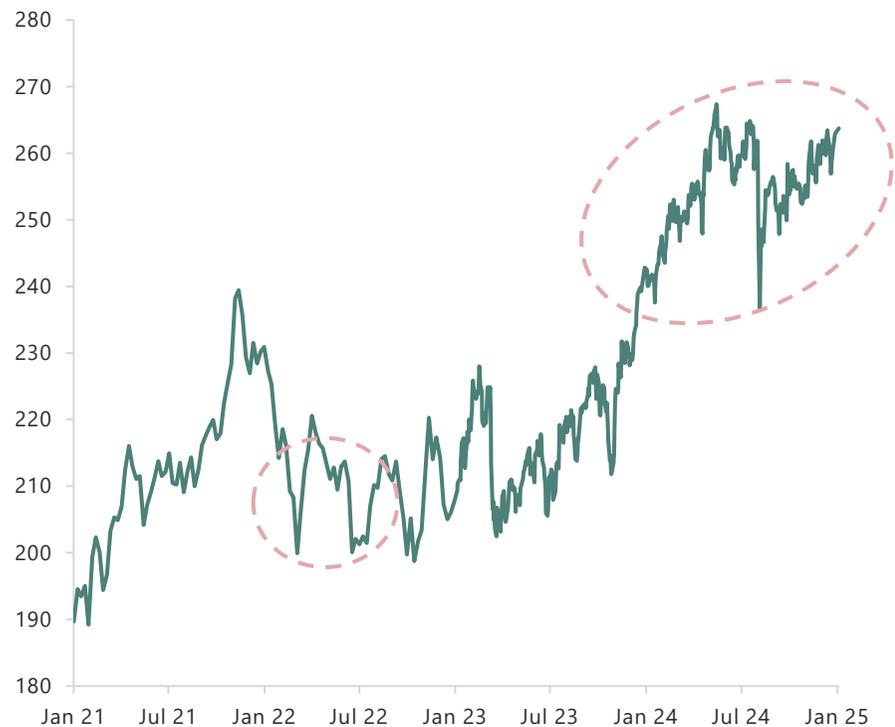
BH Macro: Premium (+) / Discount (-) %<sup>1</sup>



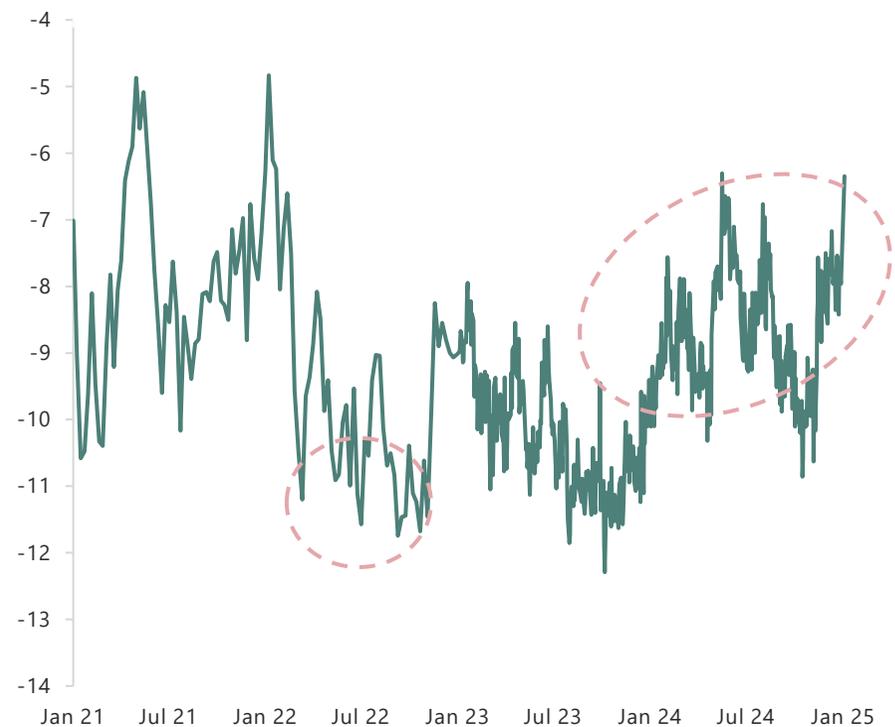
1. Net asset values are reported on weekly basis BHMG and monthly for RIT  
Source: Bloomberg Finance L.P.

## And we harvested a number of successful situations

AVI Global: Share Price (GBP)<sup>1</sup>



AVI Global: Share Price (GBP): Premium (+) / Discount (-) %<sup>1</sup>



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*

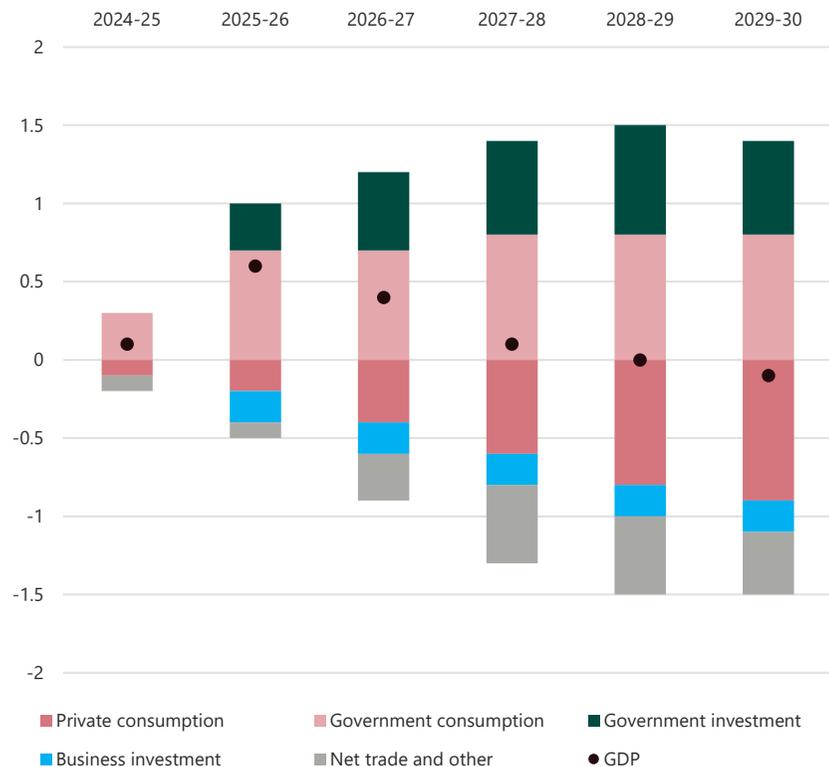
---

cgam

## 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 (%)

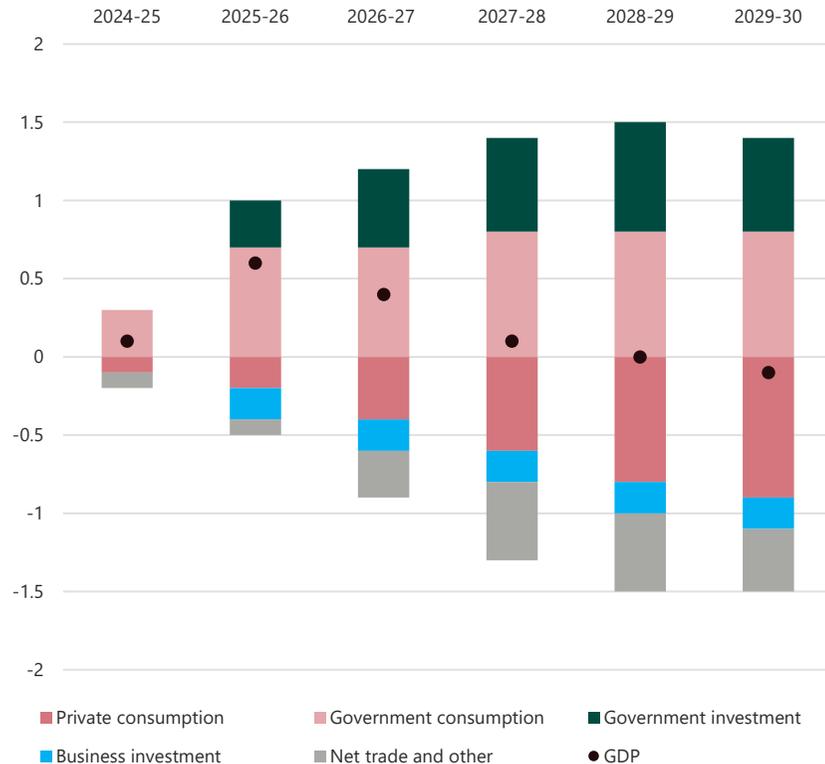


Source: Office for Budget Responsibility, Bank of England, Bloomberg Finance LP.

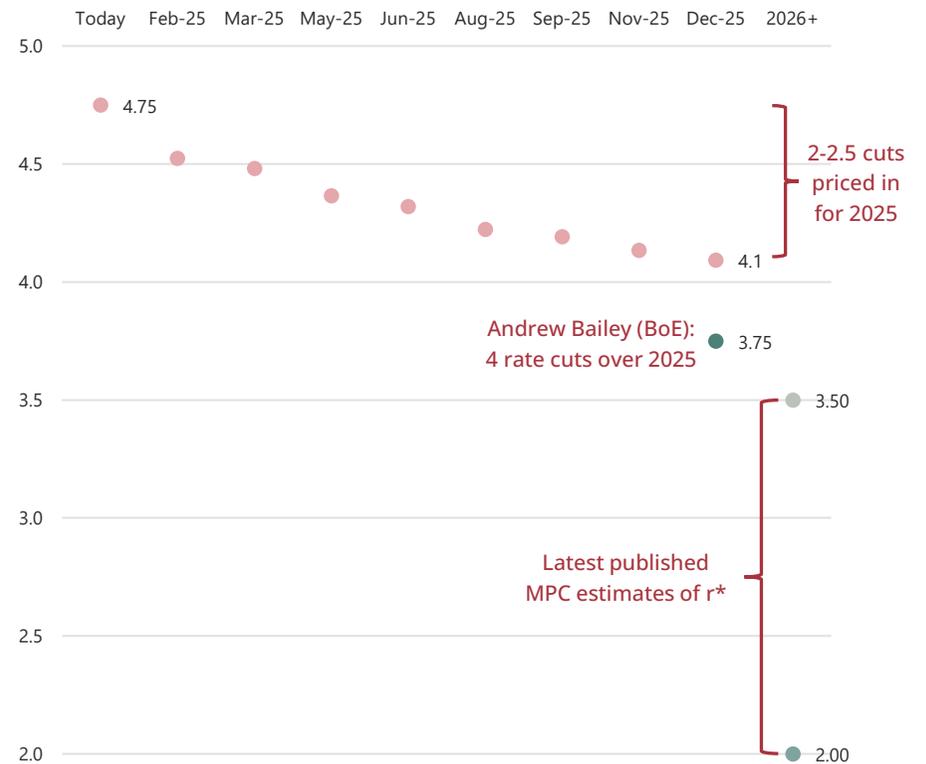
Macro outlook

# #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

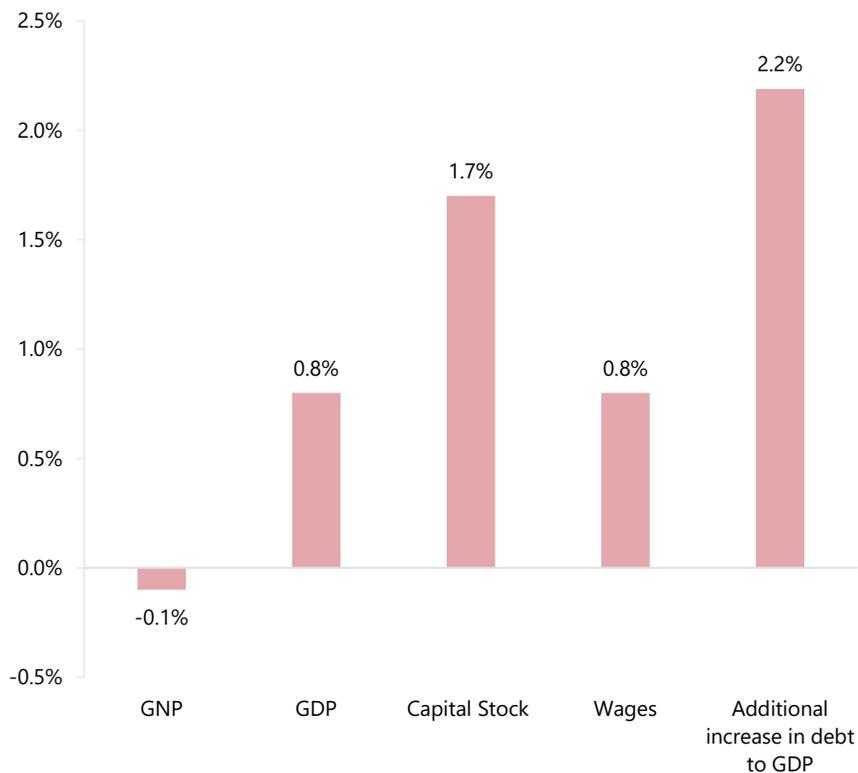


Source: Office for Budget Responsibility, Bank of England, Bloomberg Finance LP.

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

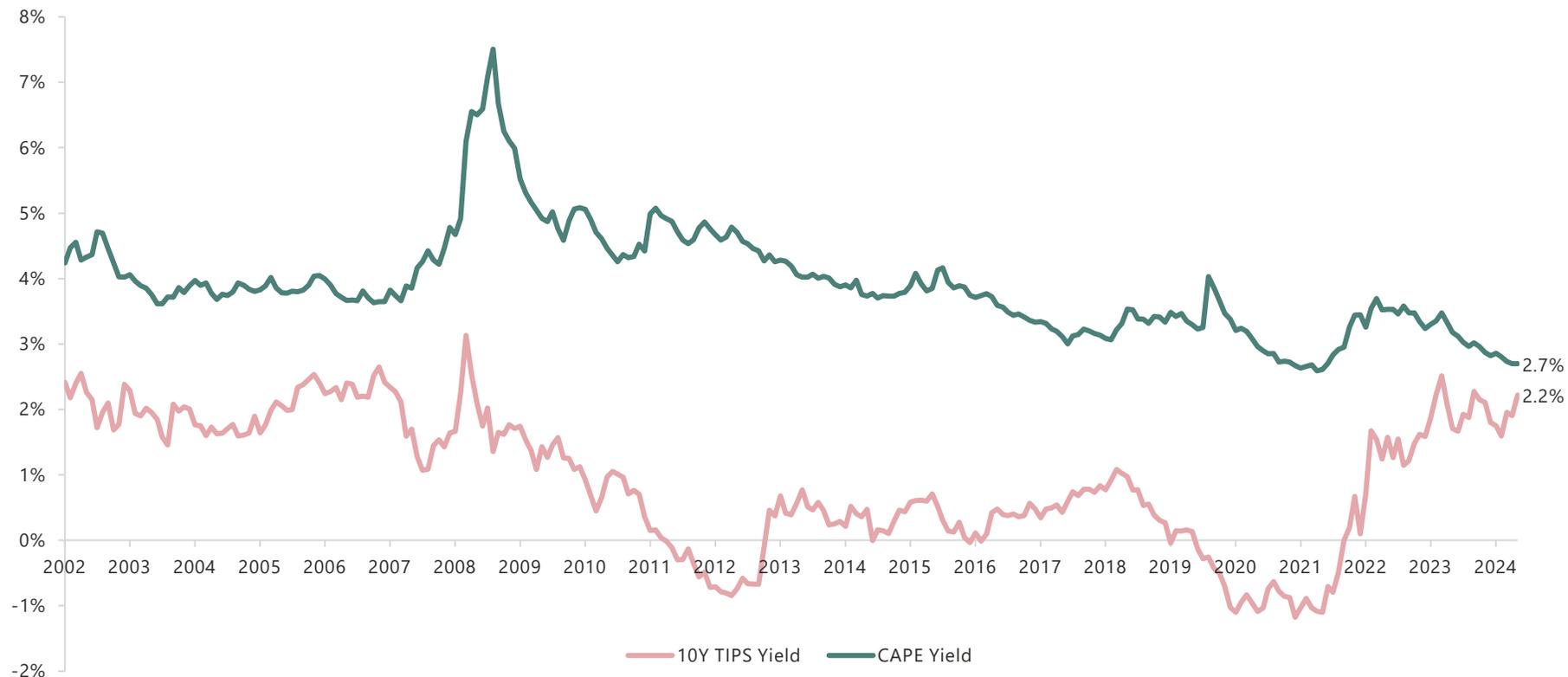


Source: Tax Foundation. Estimates forecast over 10-year horizon of 2025-2034.

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.

---

IR@cgasset.com  
+44 20 3906 1643  
20 King Street, London, EC2V 8EG

[www.cgasset.com](http://www.cgasset.com)

cgam