

CG Multi-Asset Funds

Capital Gearing Trust, CG Absolute Return Fund, Capital Gearing Portfolio Fund

Fund	Q4 2024 Performance	12-month Performance
Capital Gearing Trust (open)	0.4%	2.6%
CG Absolute Return Fund (open)	0.4%	2.4%
CG Absolute Return Fund (EUR Hedged) (open)	0.0%	1.0%
CG Absolute Return Fund (USD Hedged) (open)	0.4%	2.6%
CG Portfolio Fund (Closed)	0.2%	1.8%

- The asset allocation breakdown of the multi-asset portfolios was 30% in risk assets, 8% in corporate credit, 38% in index-linked bonds, 1% in gold, and the remainder in Cash & Treasury Bills (together, 23%).
- Index-linked bonds (currently 38% of the portfolio) returned +0.7% over the quarter. Within this, the two largest holdings are UK index-linked gilts (15% of the portfolio, duration 4.7 years) and US TIPS (22%, duration 6.9 years), which contributed -0.1% and +0.8% respectively.
- Corporate bonds and preference shares (8% of the portfolio) returned +0.1% over the quarter as several ZDPs matured lowering the weighting by 1%.
- Risk assets (30% of the portfolio) returned -0.5% over the quarter. Within this, the largest detractor was Infrastructure (6% of the portfolio) which fell -0.6%.
- Positioning remains defensive with a focus on inflation protection.

CG Bond Funds

Real Return Fund, Dollar Fund, UK Index-Linked Bond Fund

Fund	Q4 2024 Performance	12-month Performance
Real Return Fund (open)	2.3%	0.1%
Real Return Fund (GBP hedged) (open)	-2.4%	0.9%
Dollar Fund (open)	3.4%	2.6%
Dollar Fund (GBP hedged) (open)	-3.4%	0.4%
Dollar Fund (EUR hedged) (open)	-3.9%	-1.1%
Dollar Fund (USD Unhedged)	-3.4%	0.8%
CG UK Index-Linked Bond Fund (open)	-0.8%	0.4%

Real Return Fund

- The fund returned 2.3% over the quarter, against 2.1% in the Global Inflation-Linked Ex-UK Index, and 0.1% over the past 12 months versus 0.7% for the index.
- The GBP hedged share class returned -2.4% over the quarter, against -2.0% for the index, and -0.9% over the past 12 months versus 1.6% for the index.
- US TIPS (75% of the portfolio) contributed 2.7% to the fund's performance. The portfolio benefited from shortening duration to 7.7 years early in the quarter, as capital losses to longer dated bonds from higher interest rates were offset by currency effects in the 1–5 year bucket.
- Sweden (5% of the portfolio) and Japan (5% of the portfolio) contributed -0.1% each to the fund's performance driven by sterling strength against the Swedish Krona and Japanese Yen.
- The other geographies in the fund are Germany (6% of the portfolio), Canada (4%), Australia (3%), New Zealand (1%) and Denmark (0.4%).
- The current portfolio yield is 1.8% real and duration is 6.5 years.

Dollar Fund

- The fund returned 3.4% over the quarter, against 3.9% for the US Inflation-Linked index, and 2.6% over the past 12 months versus 3.6% for the comparator index.
- The GBP hedged share class returned -3.4% over the quarter, against -3.0% in the comparator index and returned 0.4% over the past 12 months versus 1.4% in the comparator index.
- This performance differential was largely a function of the fund's long duration relative to the index which resulted in larger capital losses in longer-dated TIPS.
- Portfolio duration is 7.8 years, longer than the 6.7 years duration of the index.
- The current portfolio yield is 2.1% real.

CG Bond Funds

Real Return Fund, Dollar Fund, UK Index-Linked Bond Fund

CG UK Index-Linked Bond Fund

- The fund returned -0.8% over the quarter, against -5.9% for the comparator index, and has returned 0.4% over the past 12 months versus -8.6% in the comparator index. This occurred against a backdrop of rising yields across the index-linked curve, particularly past the 3Y point.
- Portfolio duration is 5.2 years, significantly shorter than the index duration of 14.8 years.
- The current portfolio real yield is 0.8%.

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