

CG Multi-Asset Funds

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

Fund	Q2 2024 Performance	12-month Performance
Capital Gearing Trust (open)	1.0%	5.2%
CG Absolute Return Fund (open)	0.9%	5.5%
CG Absolute Return Fund (EUR Hedged) (open)	0.6%	n/a
CG Absolute Return Fund (USD Hedged) (open)	0.9%	n/a
CG Portfolio Fund (Closed)	0.9%	4.7%

- The asset allocation breakdown of the multi-asset portfolios was 31% in risk assets, 8% in corporate credit, 40% in index-linked bonds, 1% in gold, and the remainder in cash and Treasury Bills (together, 20%).
- Index-linked bonds (currently 40% of the portfolio) returned +0.2% over the quarter. Within this, the two largest exposures were to UK index-linked gilts (22% of the portfolio, duration 3.6 years) and US TIPS (17%, duration 9.3 years), which combined to contribute +0.2% to performance.
- Beyond this, Swedish index-linked bonds (4% of the portfolio) contributed +0.1% to return, while Japanese index-linked (2% of the portfolio) contributed -0.1%, amidst a backdrop of rising yields and depreciating value of the Yen.
- Corporate bonds (8% of the portfolio) returned +0.1% over the quarter, and we continued to reduce this position as spreads remained tight.
- Risk assets (31% of the portfolio) returned +0.7% over the quarter. Within this, the largest contributors were conventional equities (17% of the portfolio) which added +0.3% to performance, and infrastructure (8% of the portfolio), which contributed +0.2%.
- Positioning remains defensive with a focus on inflation protection.

CG Bond Funds

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

Fund	Q2 2024 Performance	12-month Performance
Real Return Fund (open)	0.0%	0.5%
Real Return Fund (GBP hedged) (open)	0.5%	0.6%
Dollar Fund (open)	0.4%	1.2%
Dollar Fund (GBP hedged) (open)	0.3%	0.0%
Dollar Fund (EUR hedged) (open)	-0.1%	n/a
Dollar Fund (USD Unhedged)	0.4%	n/a
CG UK Index-Linked Bond Fund (open)	0.1%	n/a

Real Return Fund

- The fund returned 0.0% over the quarter, against -0.2% in the Global Inflation-Linked Ex-UK Index, and +0.5% over the past 12 months versus +1.6% for the index.
- The GBP hedged share class returned +0.5% over the quarter, against +0.7% for the index, and +0.6% over the past 12 months versus +2% for the index.
- US TIPS (70% of the portfolio) contributed +0.3% to the fund's performance. Over the quarter, TIPS yields increased slightly and the dollar appreciated against sterling. This resulted in gains at the front end of the TIPS curve (duration 0-10 years), but in the 10+ year duration bucket, capital losses from yield shift outweighed dollar appreciation.
- Sweden (6% of the portfolio) contributed +0.1% to the fund's performance, driven largely by falling yields across the Swedish index-linked yield curve.
- Japan (6% of the portfolio) contributed -0.4% to the fund's performance. This has been a function of a combination of rising yields on Japanese government bonds and a continued depreciation in the value of Yen over the quarter.
- The other geographies in the fund are Germany (9% of the portfolio), Canada (4%), Australia (2%), New Zealand (1%) and Denmark (0.3%).
- The current portfolio yield is 1.9% real.

Dollar Fund

- The fund returned +0.4% over the quarter, against +0.9% for the US Inflation-Linked index, and +1.2% over the past 12 months versus +3.1% for the comparator index.
- The GBP hedged share class returned +0.3% over the quarter, against +1.4% in the comparator index and returned 0.0% over the past 12 months versus +2% in the comparator index.
- This performance differential was largely a function of the fund's long duration relative to the index, as capital losses were suffered disproportionately in longer-dated TIPS.
- Portfolio duration has shortened slightly over the quarter, and now sits at 8.4 years, longer than the c. 7-year duration of the index.
- The current portfolio yield is 2.3% real.

CG Bond Funds

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

CG UK Index-Linked Bond Fund

- The fund returned +0.1% over the quarter, against -2.3% for the comparator index, and has delivered a +3.7% return since inception. This occurred against a backdrop of falling yields across the index-linked curve, particularly at the 2Y point.
- Portfolio duration is 5 years, significantly shorter than the index duration of 16 years.
- The current portfolio yield is 0.7% real.

Important Information

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.