

## CG Multi-Asset Funds

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

Fund	Q1 2023 Performance	12-month Performance*
Capital Gearing Trust (open)	-0.7%	-3.6%
CG Absolute Return Fund (open)	-0.6%	-3.4%
Capital Gearing Portfolio Fund (closed)	-0.9%	-4.1%

\*to 31 March 2023

- Risk assets (27% of the portfolio) returned -3.0% (-9.5% annually) compared to -1.4% for the Investment Trust Index (-10.1% annually);
- Weighting to risk assets was reduced by 2%, primarily through property (4% of the portfolio) which was a drag on performance (-11%), but also from maturing discount opportunities;
- A notable discount opportunity was realised in Finsbury Growth & Income Trust, which comprised 1.1% of the portfolio at its peak, and delivered +10.2% over the 12-month holding period;
- Bond holdings are currently 71% of the portfolio. This is comprised of 46% index linked, 12% corporate credit and 13% of short dated government nominals;
- Index linked performance was +0.9% (+1.2% annually), driven by outperformance at the long end;
- Within index linked, 1% was added to UK Linkers, which currently comprise 21% of the portfolio;
- Current weightings: US TIPS at 19% and other developed markets at 5% (spread across Japan, Canada, Australia and Sweden). This remains unchanged;
- Corporate bond holdings (investment grade, average duration of 1.8 years) were reduced by 6% early in the quarter. This was in response to falling yields and improved relative value in Treasury Bills;
- The portfolio remains defensive, with an objective of capital preservation and inflation protection.

## CG Bond Funds

### Real Return Fund, Dollar Fund

Fund	Q1 2023 Performance	12-month Performance*
Real Return Fund (open)	+0.4%	-2.3%
Real Return Fund (GBP hedged) (open)	+2.9%	-7.6%
Dollar Fund (open)	+1.1%	-2.2%
Dollar Fund (GBP hedged) (open)	+3.6%	-9.5%

\*to 31 March 2023

#### Real Return Fund

- The fund returned +0.4% against +0.8% for the Global Index Linked ex. UK Index and -2.8% versus -1.8% over the last 12 months;
- The GBP Hedged share class returned +2.9% in Q1 and -7.8% over the last 12 months against +3.1% and -7.0% for the comparator index respectively;
- TIPS (70% of the portfolio) delivered +1.1%, with modest gains on the dollar value of the bonds offset by sterling strength;
- Germany (10% of the portfolio) returned +0.7% over the quarter against a backdrop of elevated inflation;
- Canada (6% the portfolio) returned -3.0% and Japan (6% of the portfolio) -2.3% (largely attributable to sterling appreciation);
- Positioning remains largely unchanged, with duration at 8.7 years.

#### Dollar Fund

- The fund returned +1.1% in Q1 against +0.6% for the index and -2.2% against -0.4% over the last 12 months;
- Positive performance was attributable to long end capital gains from falling yields;
- The hedged share class returned +3.6% for Q1 against +3.1% for the comparator index and returned -9.6% against -8.0% over 12 months;
- Positioning remains unchanged, with duration of 9.8 years and a current portfolio yield of 1.4%.

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