

CG Multi-Asset Funds

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

Fund	Q3 2024 Performance	12-month Performance
Capital Gearing Trust (open)	1.4%	5.6%
CG Absolute Return Fund (open)	1.3%	5.6%
CG Absolute Return Fund (EUR Hedged) (open)	1.0%	4.1%
CG Absolute Return Fund (USD Hedged) (open)	1.5%	6.0%
CG Portfolio Fund (Closed)	1.3%	5.2%

- The asset allocation breakdown of the multi-asset portfolios was 35% in risk assets, 9% in corporate credit, 34% in index-linked bonds, 1% in gold, and the remainder in cash and Treasury Bills (together, 22%).
- We have initiated a position in hedged Japanese treasury bills which offer a higher total return than UK treasury bills owing to favourable pricing in the cross-currency basis swap
- Index-linked bonds (currently 34% of the portfolio) returned +0.1% over the quarter. Within this, the two largest exposures were to UK index-linked gilts (12% of the portfolio, duration 5.5 years) and US TIPS (20%, duration 8.6 years), which contributed +0.3% and -0.3% respectively.
- Beyond this, Swedish index-linked bonds (3% of the portfolio) were flat over the quarter, and Japanese index-linked (1% of the portfolio) contributed +0.1% driven by a +6.9% appreciation in the Yen against sterling.
- Corporate bonds (9% of the portfolio) returned +0.1% over the quarter, and we continued to reduce this position as spreads remained tight.
- Risk assets (36% of the portfolio) returned +0.9% over the quarter. Within this, the largest contributors were property (3% of the portfolio) which added +0.4% to performance, and infrastructure (8% of the portfolio), which contributed +0.5%.
- 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)	-1.1%	-0.1%
Real Return Fund (GBP hedged) (open)	3.5%	8.4%
Dollar Fund (open)	-1.6%	0.3%
Dollar Fund (GBP hedged) (open)	4.1%	9.5%
Dollar Fund (EUR hedged) (open)	3.8%	8.2%
Dollar Fund (USD Unhedged)	4.4%	10.3%
CG UK Index-Linked Bond Fund (open)	1.3%	n/a

Real Return Fund

- The fund returned -1.1% over the quarter, against -0.8% in the Global Inflation-Linked Ex-UK Index, and -0.1% over the past 12 months versus +0.5% for the index.
- The GBP hedged share class returned +3.5% over the quarter, against +3.7% for the index, and +8.4% over the past 12 months versus +8.8% for the index.
- US TIPS (74% of the portfolio) contributed -1.1% to the fund's performance. Whilst TIPS yields decreased over the period, sterling appreciated against the dollar. This resulted in losses at the front end of the TIPS curve (duration 0-10 years), which were partially offset by the 10+ year duration bucket. Capital gains from the yield shift were outweighed by currency effects.
- Sweden (4% of the portfolio) was flat this quarter as lower yields were offset by sterling strength.
- Japan (4% of the portfolio) contributed +0.2% to the fund's performance driven by a strong appreciation in the value of the Yen over the quarter.
- The other geographies in the fund are Germany (6% of the portfolio), Canada (4%), Australia (2%), New Zealand (1%) and Denmark (0.3%).
- The current portfolio yield is 1.6% real.

Dollar Fund

- The fund returned -1.6% over the quarter, against -1.8% for the US Inflation-Linked index, and +0.3% over the past 12 months versus -0.1% for the comparator index.
- The GBP hedged share class returned +4.1% over the quarter, against +4.0% in the comparator index and returned 9.5% over the past 12 months versus +9.3% 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 gains in longer-dated TIPS.
- Portfolio duration is 8.2 years, longer than the c.7-year duration of the index.
- The current portfolio yield is 1.8% real.

CG Bond Funds

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

CG UK Index-Linked Bond Fund

- The fund returned +1.3% over the quarter, against +1.5% for the comparator index, and has delivered a +5.1% return since inception, significantly outperforming the benchmark. This occurred against a backdrop of falling yields across the index-linked curve, particularly at the 3Y point.
- Portfolio duration is 5 years, significantly shorter than the index duration of 16 years.
- The current portfolio yield is 0.7% real.

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