

cgam

CG Absolute Return

Year Five Report Card



30 September 2021

Disclaimer

This presentation is issued and intended for professional investors and eligible market counterparties only.

Performance figures have been calculated by CG Asset Management Ltd based on information provided by Bloomberg, Morningstar and Northern Trust International Fund Administration Services (Ireland) Ltd.

The value of all investments and the income there from can go down as well as up and the investor may not get back the amount invested. Past performance is not necessarily a guide to future performance. Investors should also note that changes in rates of exchange may cause the value of investments to go up or down.

This presentation was prepared on 28th September 2021, fund performance data is updated to 31st August 2021. Other market data may be less up to date, nevertheless the managers consider such data to be representative of prevailing market conditions.

Unless otherwise stated, CG Asset Management is the primary source of all information contained within the presentation.

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REGISTERED IN ENGLAND NO 04056163.



CGAM BACKGROUND

In June 2021, CG Absolute Return passed its 5 year anniversary

	Fund	Launched	Size	Structure	Fees	
Absolute return	Capital Gearing Trust	1982 ¹⁾	£835 m	Investment Trust ²⁾	0.43% ³⁾	Absolute returns through long only investment in a portfolio of bonds, equities and commodities
	CG Absolute Return Fund	2016	£800 m	UCITS	0.35%	
	Capital Gearing Portfolio	2001	£440 m	UCITS	Closed	
Real return	Real Return Fund	2004	£610 m	UCITS	0.30% / 0.20% ⁴⁾	Real returns through long only investment in index linked bonds
	Dollar Fund	2009	£1050 m	UCITS	0.25% / 0.15% ⁵⁾	

ORIGINAL OBJECTIVES**Since launch the fund has met or exceeded all its objectives****Excellent risk adjusted returns**

- CAGR 7.9% since inception
- Max drawdown of 4%, 7% annual volatility
- Sharpe ratio of 1.4 vs. 0.5 UK All Share and 1.1 MSCI World

**Retain Capital Gearing Trust DNA**

- Substantially similar track record to Capital Gearing Trust

**Outperform Peers**

- Highest returning fund out of peer group since inception

**Liquid**

- 72% can be liquidated in 1 day

**Low Cost**

- 0.35% annual management fee

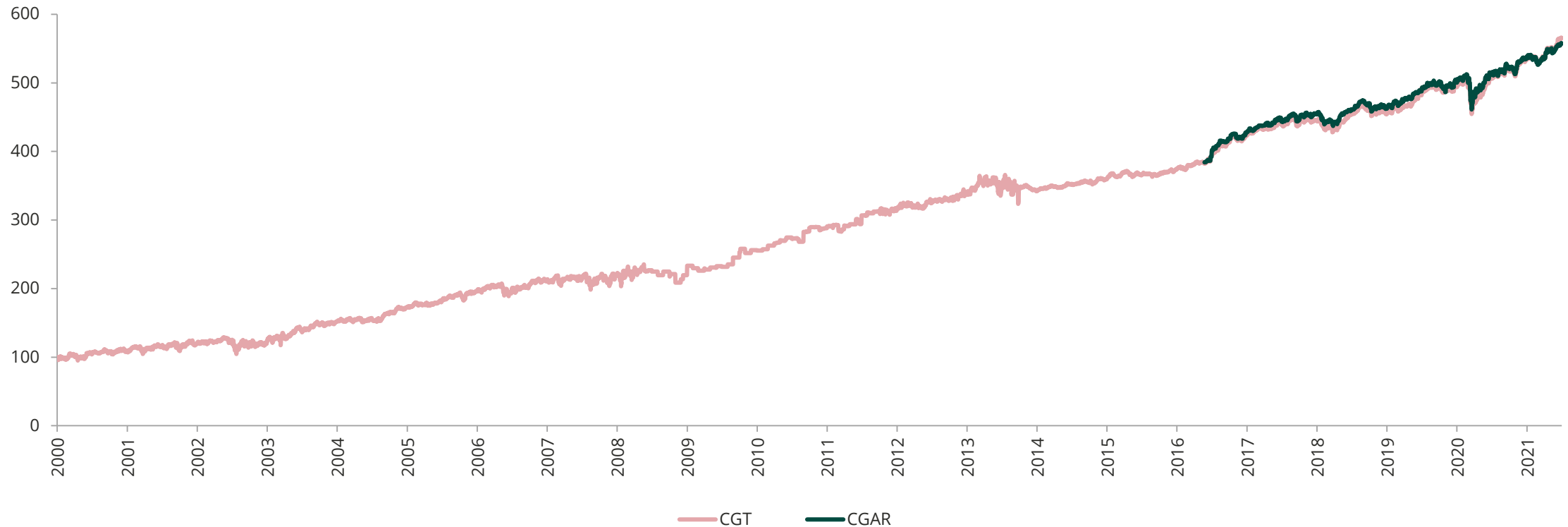
**Simple**

- No derivatives, no gearing, no short selling

CAPITAL GEARING TRUST DNA

The fund has performed similarly to Capital Gearing Trust

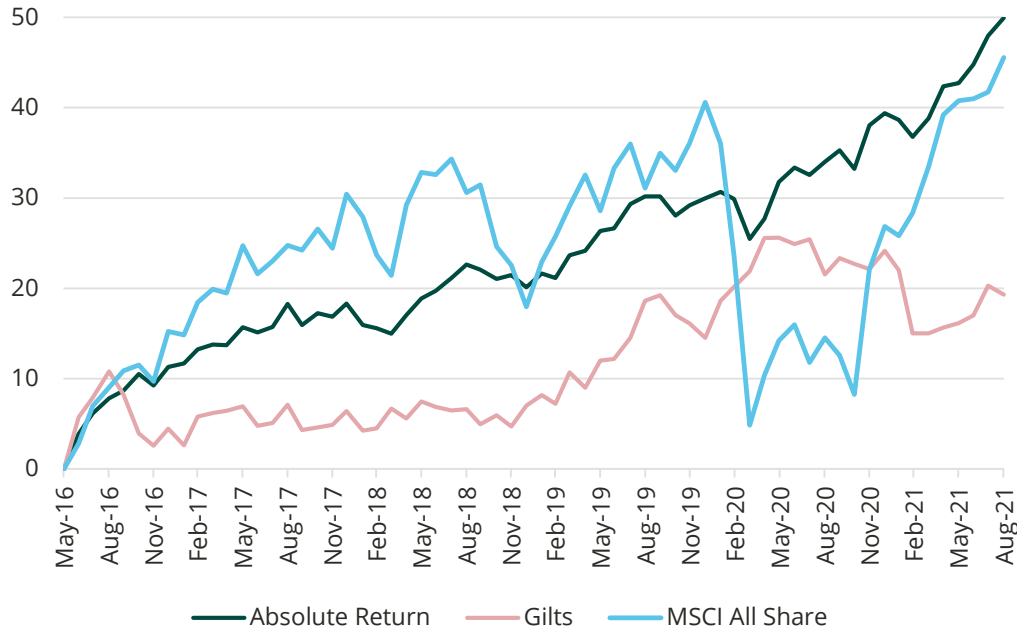
Capital Gearing Trust / CG Absolute Return – NAV Total Return



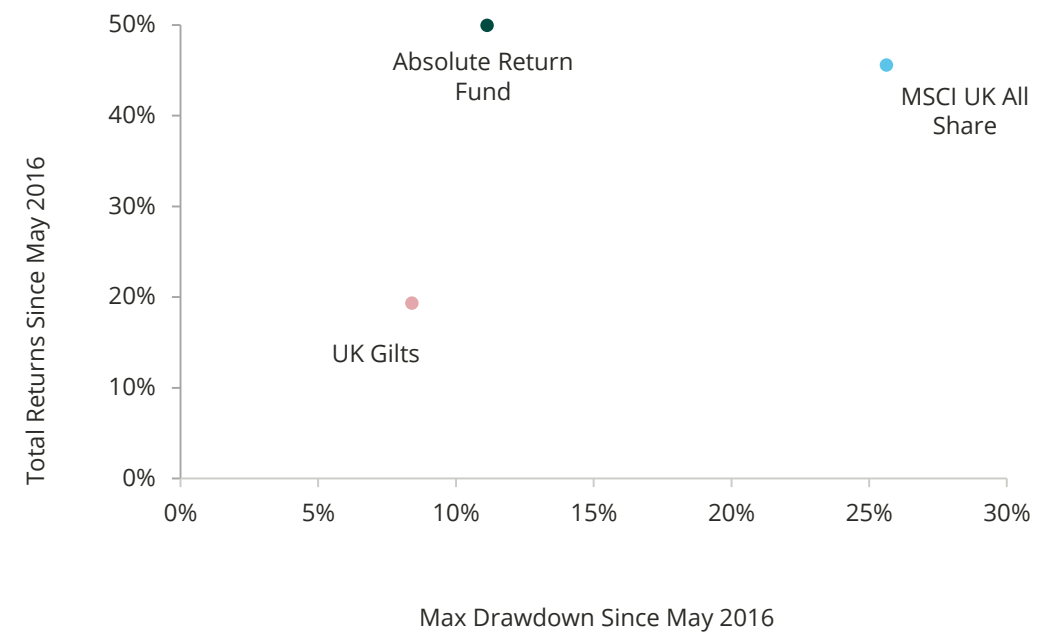
RISK ADJUSTED RETURNS

It has delivered higher returns than the UK equity market with lower drawdowns than gilts

CGAR NAV total return & max drawdown - since inception



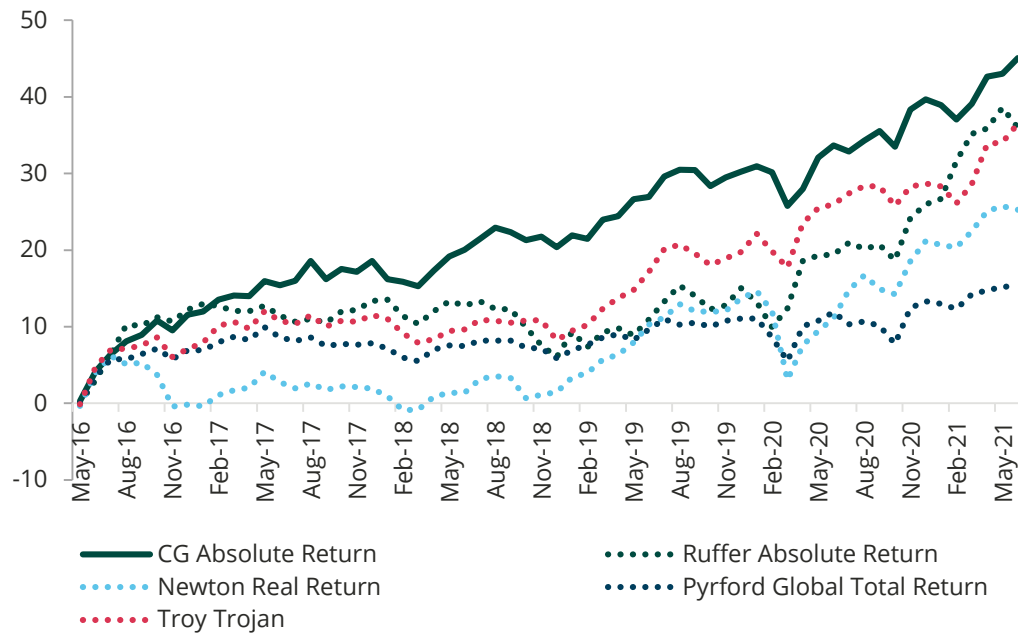
CGAR NAV Total Return (%) - since inception



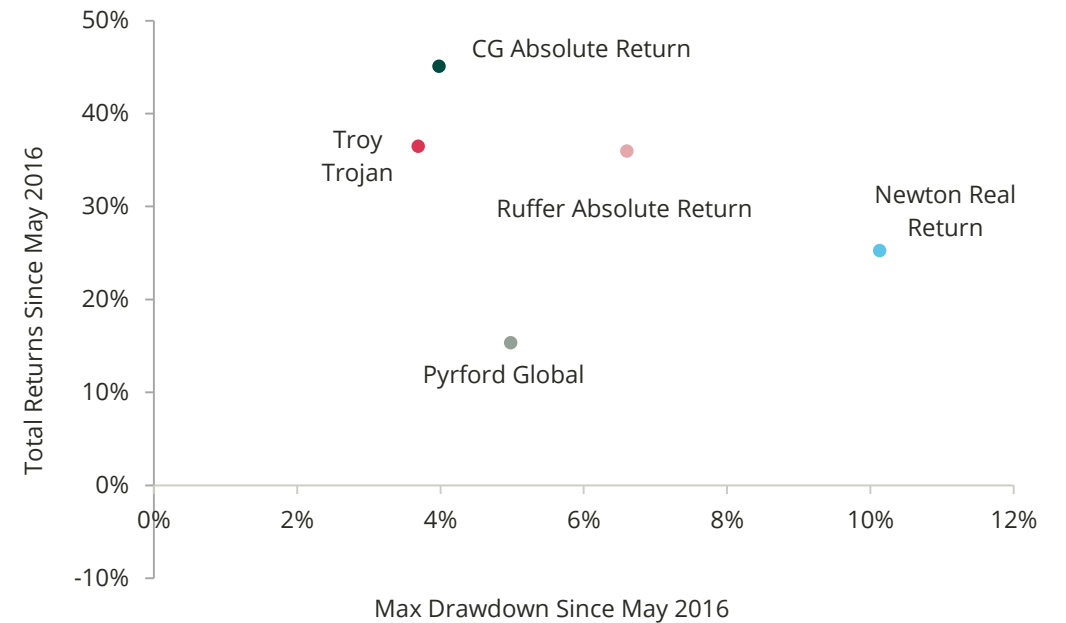
RISK ADJUSTED RETURNS

And has outperformed peers on an absolute and risk adjusted basis...

CGAR NAV total return & max drawdown - since inception



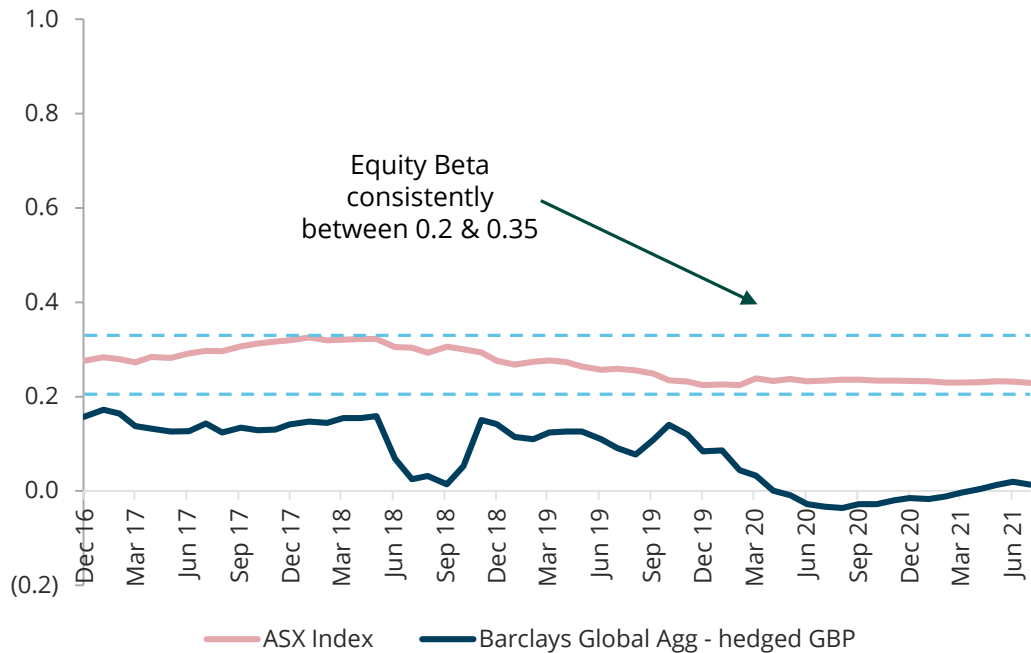
CGAR NAV Total Return (%) - since inception



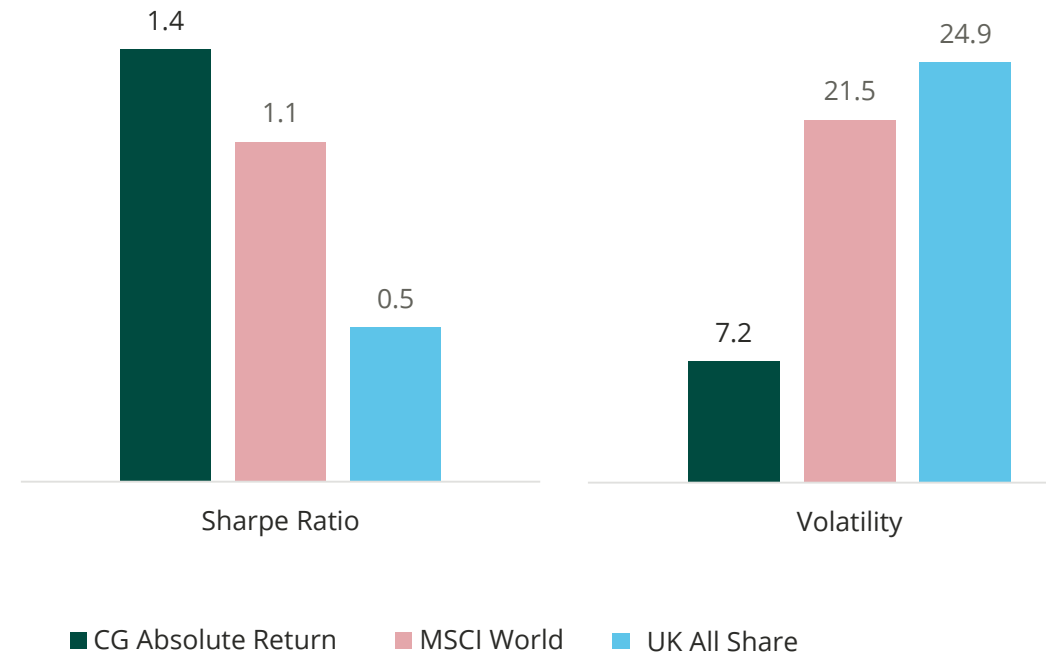
LOW CORRELATION, LOW VOLATILITY

...these returns have come with low correlation to equity & bond markets, and an excellent Sharpe ratio & low volatility

CG Absolute Return – Rolling Equity and Bond Correlation



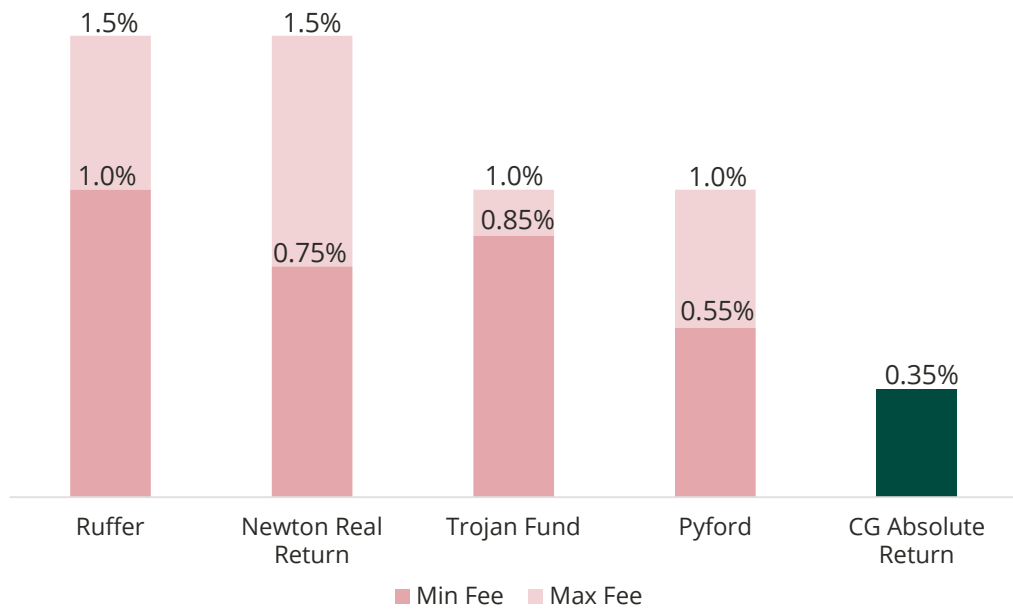
CG Absolute Return – Sharpe Ratio & Volatility (%) vs. Major Indices



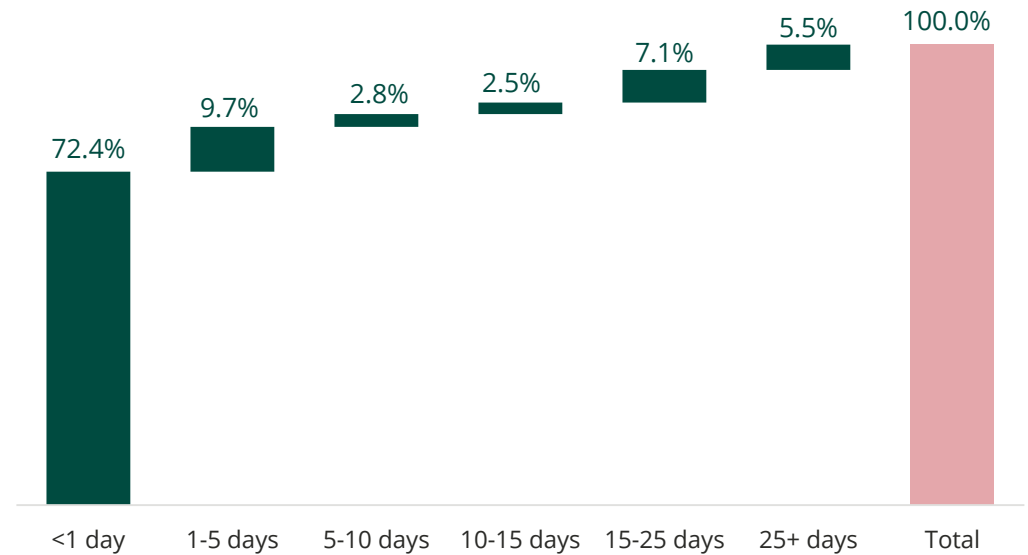
FEES AND LIQUIDITY

...while charging the lowest fees and maintaining excellent liquidity

CG Absolute Return – Annual Management Fee vs. Peers (%)



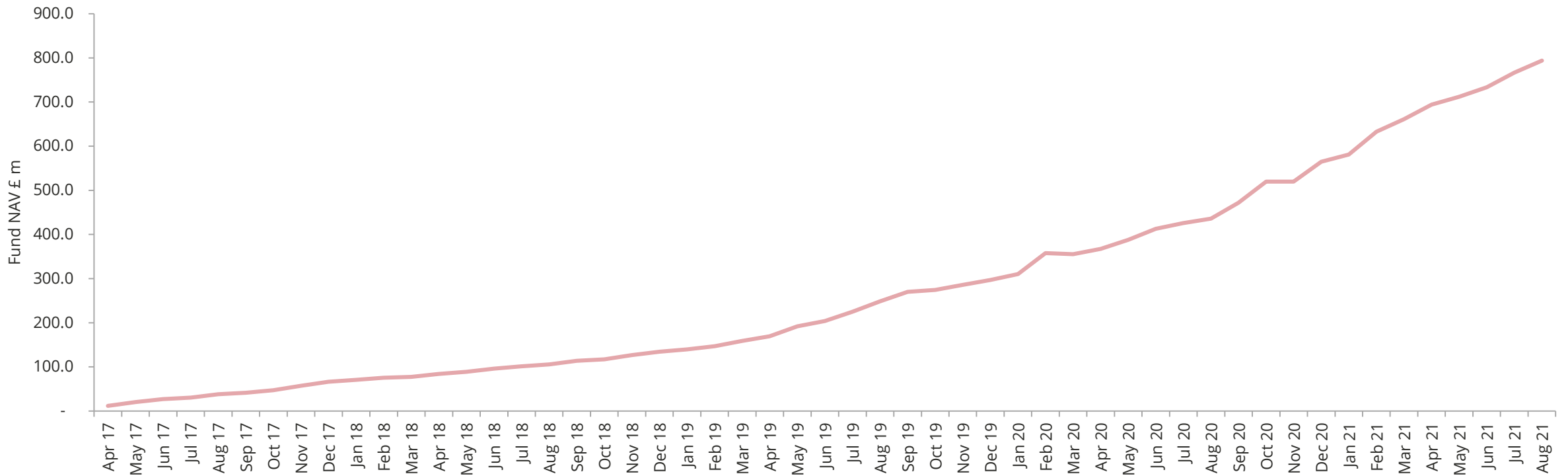
CG Absolute Return – Time to Liquidation (days)¹⁾



FUND SIZE

The fund has grown steadily and has a diverse, high quality institutional client base with £18 m of investment from us

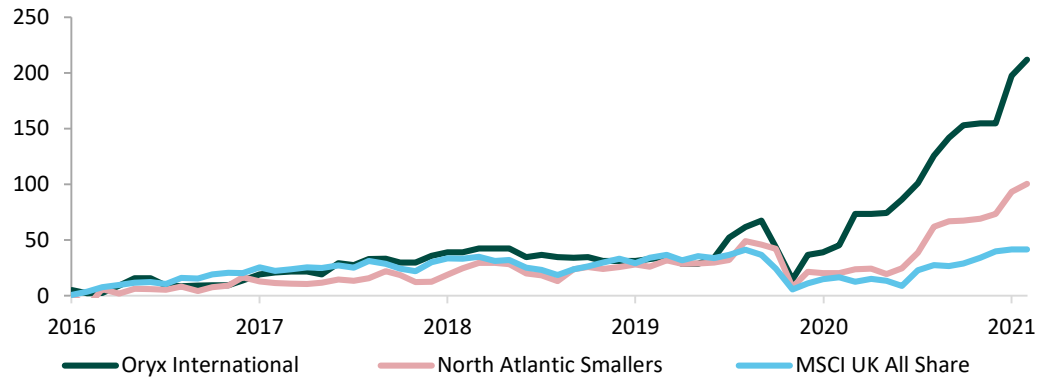
CG Absolute Return – Fund NAV (£ m)



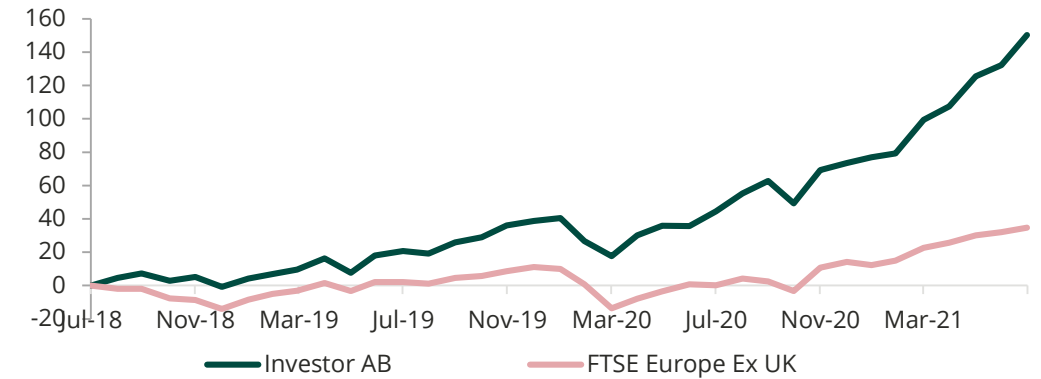
EQUITY OUTPERFORMANCE

All our major equity holdings – outside ETFs – have outperformed

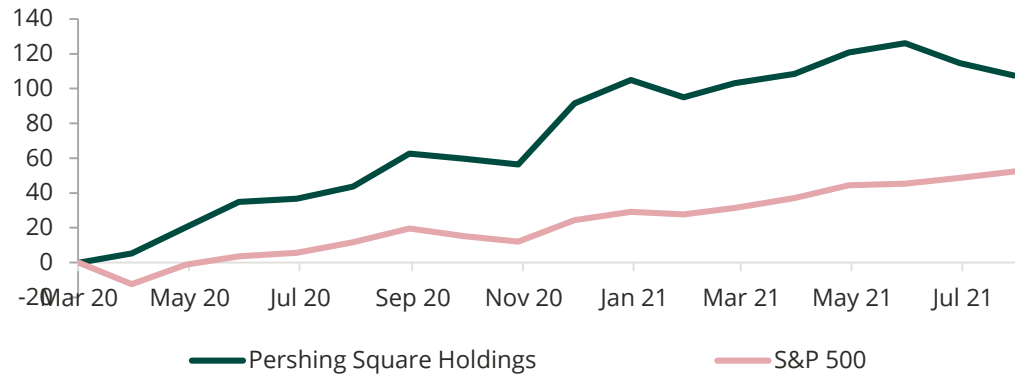
Core UK – North Atlantic Smaller Plc + Oryx International Plc



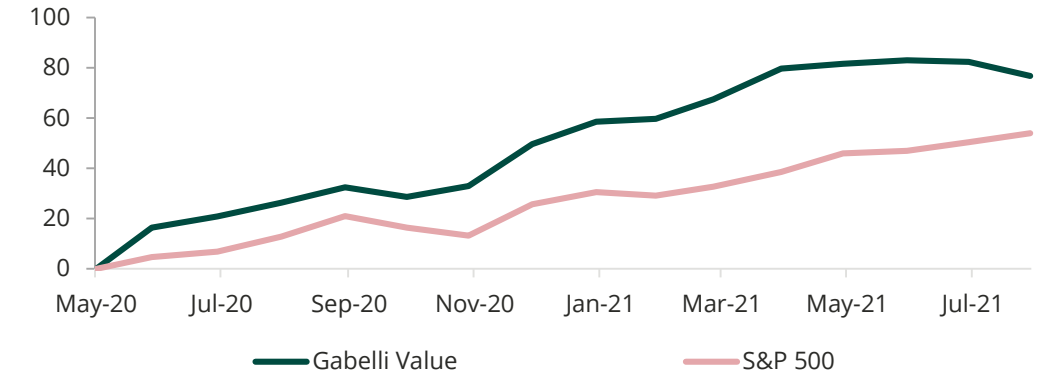
Core Europe – Investor AB



Core US – Pershing Square Ltd



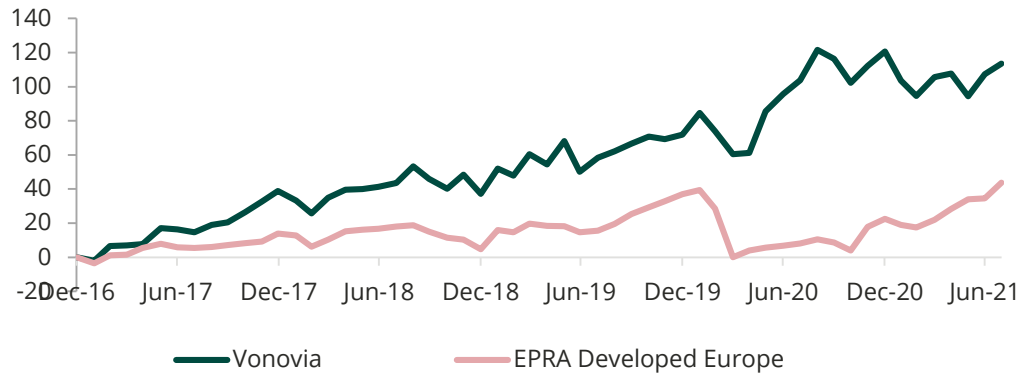
Core US – Gabelli Value+ Plc



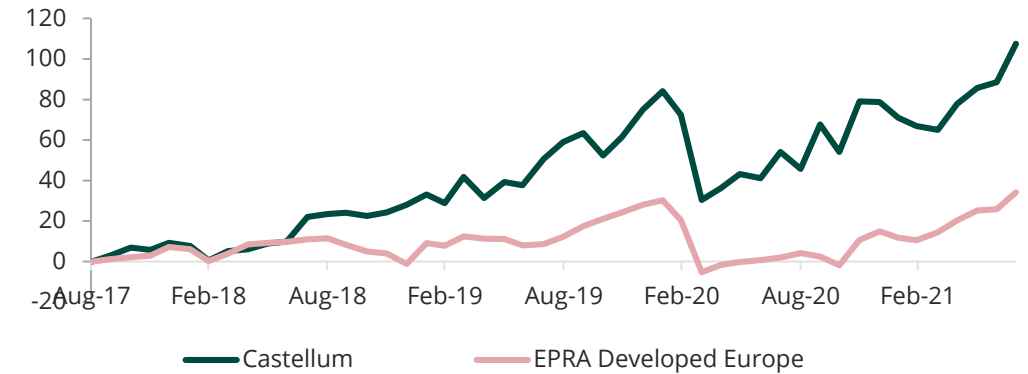
ALTERNATIVES OUTPERFORMANCE

Similarly our largest property positions have dramatically outperformed their benchmarks

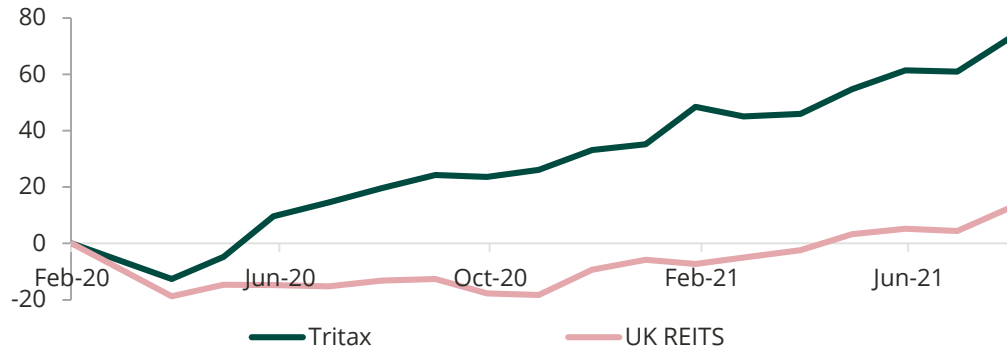
Core Residential / Germany - Vonovia SE



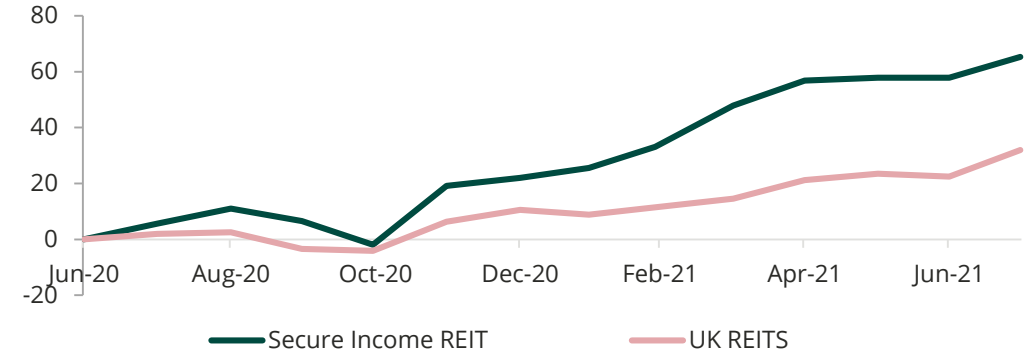
Core Commercial / Sweden - Castellum AB



Core UK Long Lease - Tritax Big Box REIT Plc



Core UK Long Lease - Secure Income REIT Plc



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