



CG Asset Management

Q1 2026 Webinar

April 2026

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Overview

Funds Summary

Strategy	Fund	ISIN	Launched	AUM ⁶	Dealing Frequency ²	AMC Fee	TER
Absolute Return Long only investments in a portfolio of bonds, equities and commodities	Capital Gearing Trust	GB0001738615	1982 ¹	£801m	Listed	0.42% ³	0.58%
	CG Absolute Return (EUR Hedged, USD Hedged available)	IE00BYQ69B30	2016	£586m	Daily	0.35%	0.49%
	Capital Gearing Portfolio (P,V shares)	IE00BG5Q6F12	2001	£206m	Daily	0.75%	0.89%
Real Return Long only investments in inflation-linked bonds	CG Real Return Fund (GBP Hedged available)	IE0034304117	2004	£183m	Daily	0.30% / 0.20% ⁴	0.43%
	CG Dollar Fund (GBP Hedged, EUR Hedged and USD Unhedged available)	IE00B41GP767	2009	£385m	Daily	0.25% / 0.15% ⁵	0.39%
	CG UK Index-Linked Bond Fund	IE000ZSVG218	2023	£25m	Daily	0.15%	0.29%

¹ Peter Spiller began managing Capital Gearing Trust in 1982; ² Capital Gearing Trust is an Investment Trust listed on the London Stock Exchange, all other funds are Open Ended UCITS domiciled in Dublin; ³ Tiered fee structure, marginal rate is 0.3% above £500m; ⁴ 0.3% below £500m, 0.2% above; ⁵ 0.25% below £1bn, 0.15% above; ⁶ As of 31st March 2026

Positioning and Returns

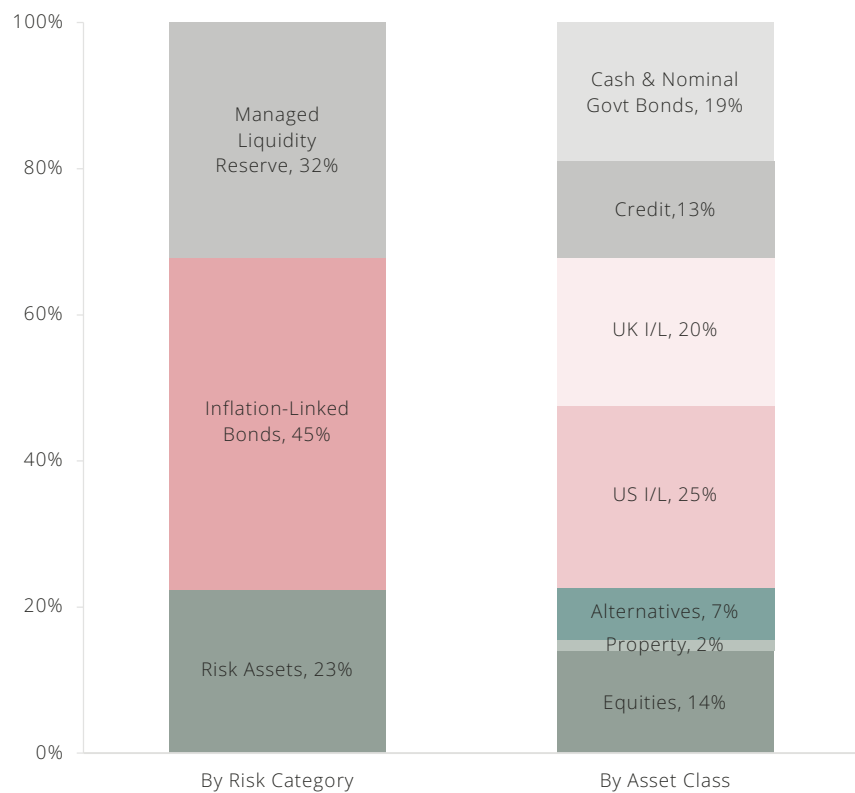
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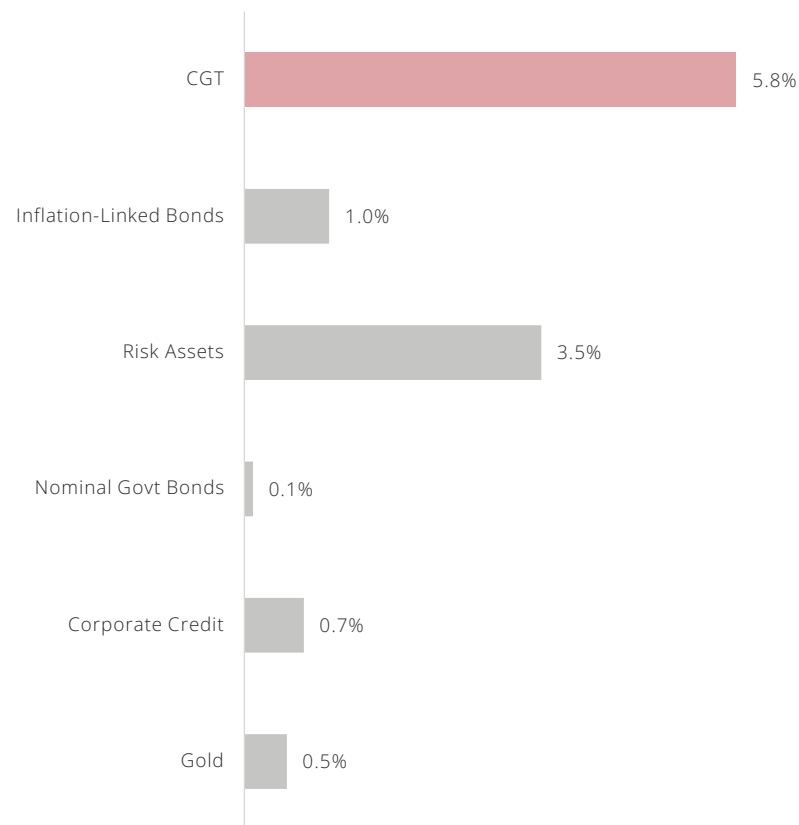
Positioning and Returns

Positioning is defensive, with a focus on inflation protection

CGT Asset Allocation March 2026



Contribution by Asset Class LTM March 2026

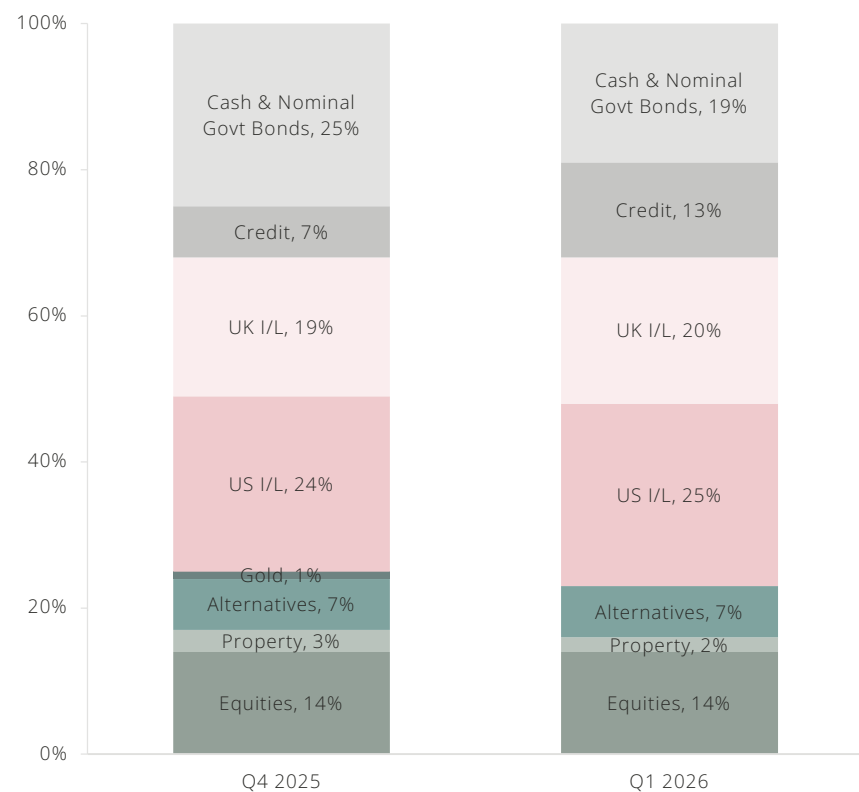


NAV performance net of fees

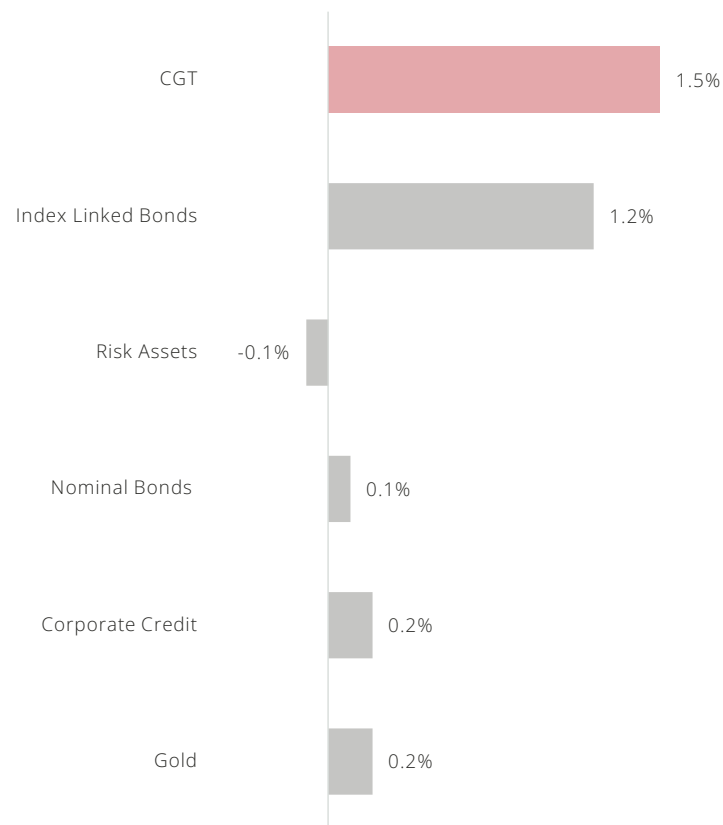
Source: CGAM, Bloomberg Finance L.P., Northern Trust

Defensive asset classes drove performance amidst wider market tumult

Changes to Asset Allocation over the last Quarter



Contribution by Asset Class Q1 2026

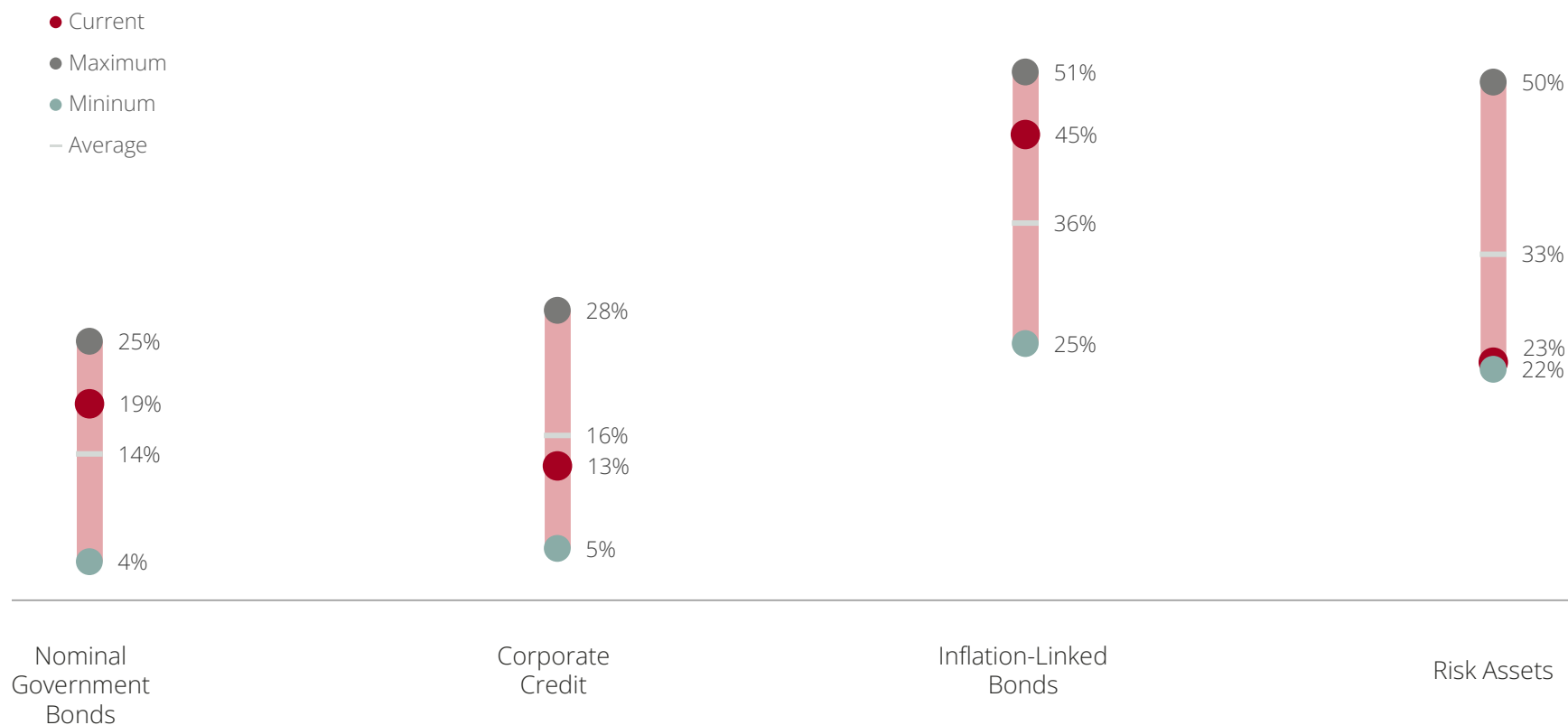


NAV performance net of fees, rounded to nearest figure
 Source: CGAM, Bloomberg Finance L.P., Northern Trust

Positioning and Returns

Positioning is defensive relative to history, owing to concerns around the outlook for government debt and stretched equity valuations

CGT Asset Allocation: 2011-2026



Source: CGAM, Bloomberg Finance L.P., Northern Trust, Enfusion

Positioning and Returns

Both equity and bond portfolios have contributed to outperformance

CGT Risk Assets Returns Performance to March 2026¹



CGT Bonds Only Returns Performance to March 2026¹

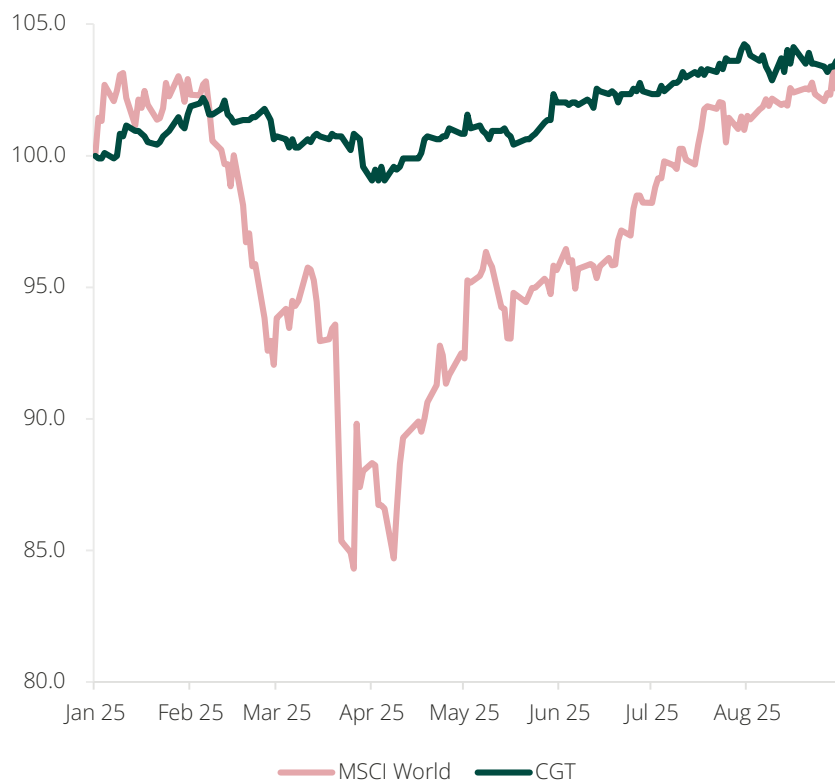


¹Risk Assets include equities, property, alternatives and gold. Bonds include credit and sovereign bonds (excluding T-Bills and cash), start period reflects the longest period available for CGT under Bloomberg AIM
Source: Bloomberg Finance L.P., Northern Trust

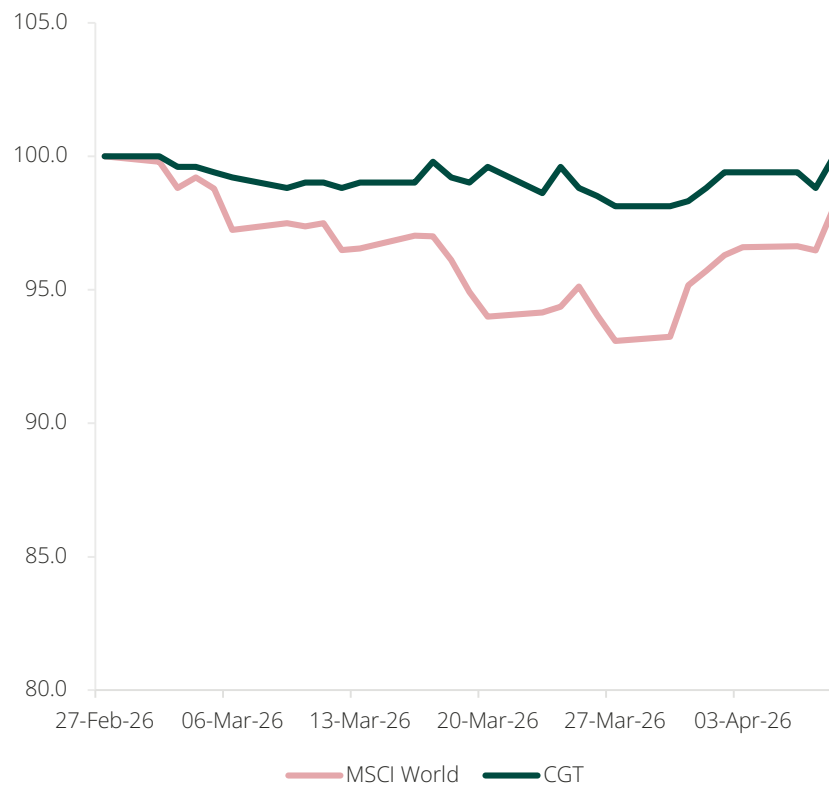
Positioning and Returns

Over the past year we have had two major tests of the portfolio's resilience

Liberation Day: CGT vs. MSCI World Index (GBP Total Return)



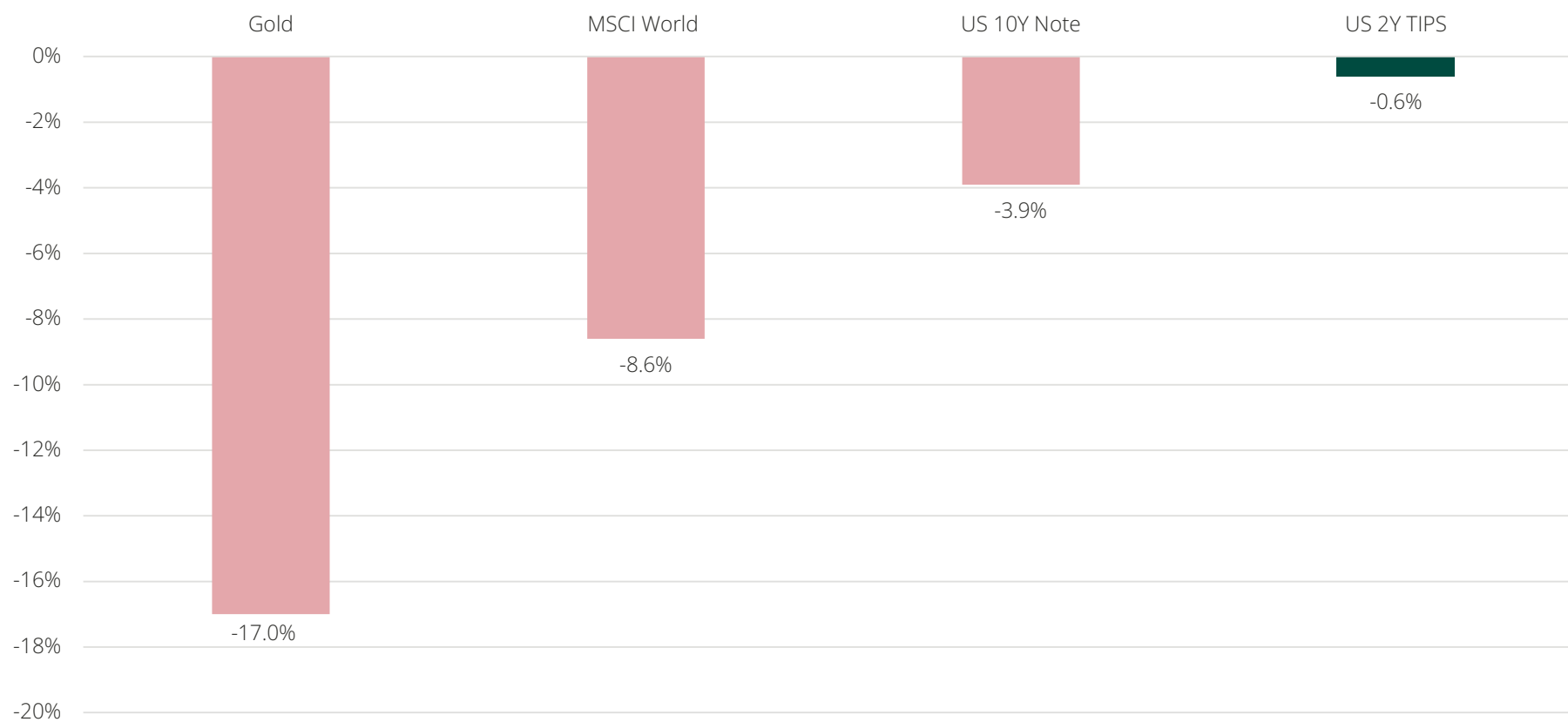
Iran War: CGT vs. MSCI World Index (GBP Total Return)



Source: Bloomberg Finance LP, CGAM Calculations. For Liberation Day, 31 December 2024 = 100; for Iran War, 27 February 2026 = 100.

In search of a safe haven asset

Asset class drawdowns since beginning of Iran War

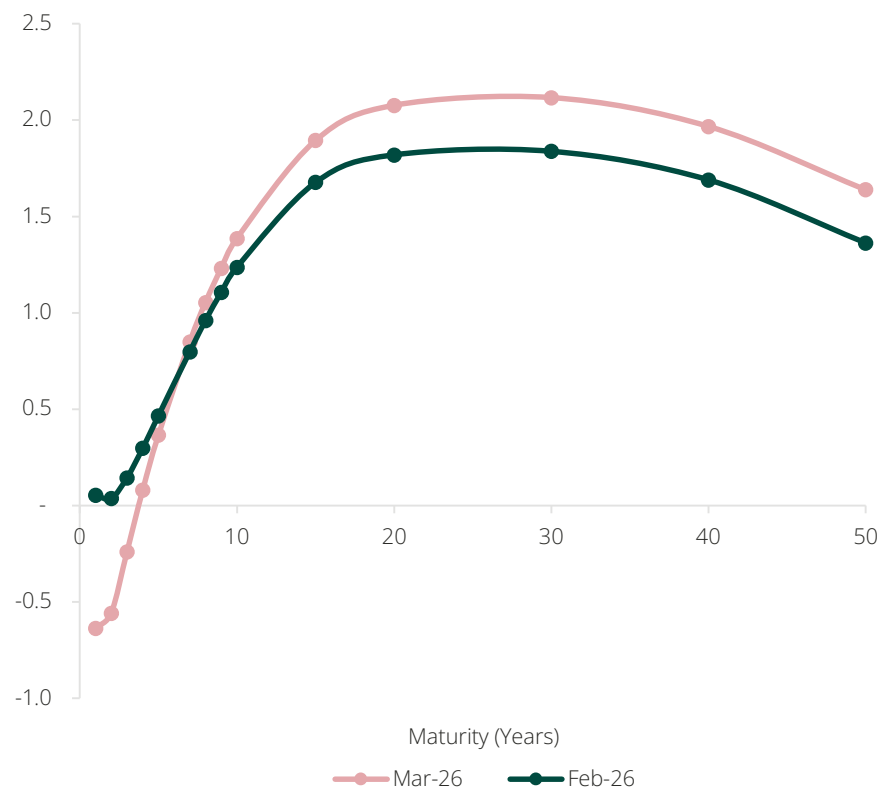


Source: Bloomberg Finance LP. Drawdowns measured as the difference between price level on 27th February 2026 and the lowest price during the pre-ceasefire period.

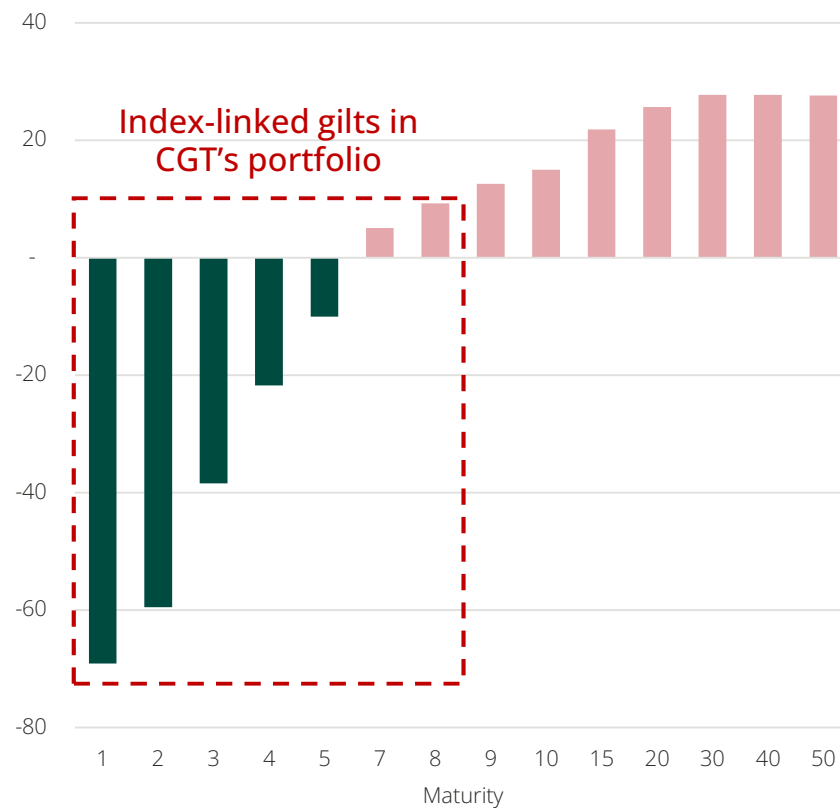
Positioning and Returns

Short-dated inflation-linked bonds did in fact protect the portfolio from an inflation shock

UK Real Yield Curve (%)



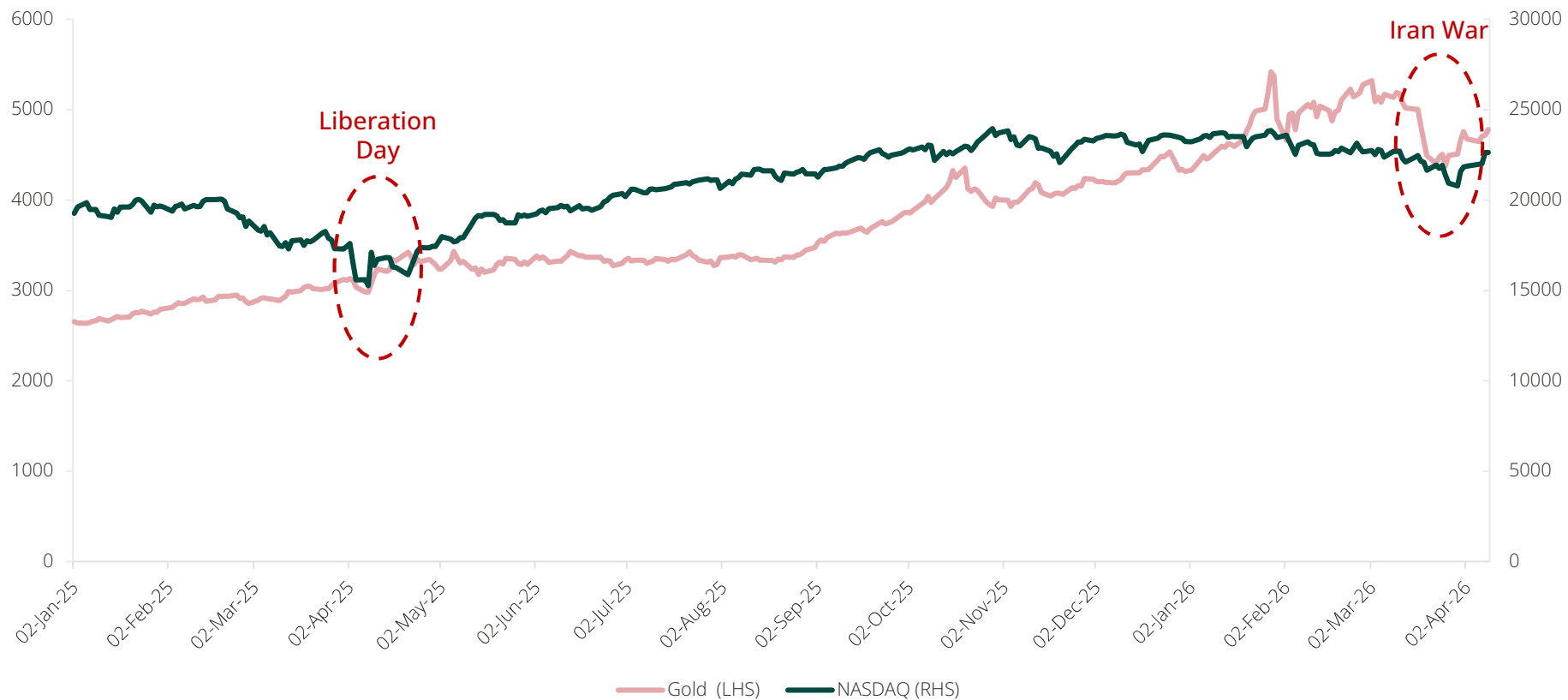
Change in Real Yields (bps)



Source: Northern Trust, Bloomberg Finance LP. Timeframe shown is 27 February 2026 (the day before war broke out) to 31 March 2026.

Safe haven or risk asset?

Gold Price (in USD, LHS) vs. NASDAQ Index Level (RHS)



Source: Bloomberg Finance LP

Positioning and Returns

We continue to engage actively with boards, in favour of capital allocation policies which maximise shareholder value

HICL Infrastructure Plc: Premium / Discount to NAV (%)



Source: Deutsche Numis Investment Companies Dataset.



Past performance is not indicative of future results.
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Outlook

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BRENT CRUDE: \$73 → \$114

**QATAR LNG:
20% GLOBAL SHARE**

Outlook

One hump or two...?

Headline inflation in the US and UK (YoY CPI, %)



Source: Bloomberg Finance LP

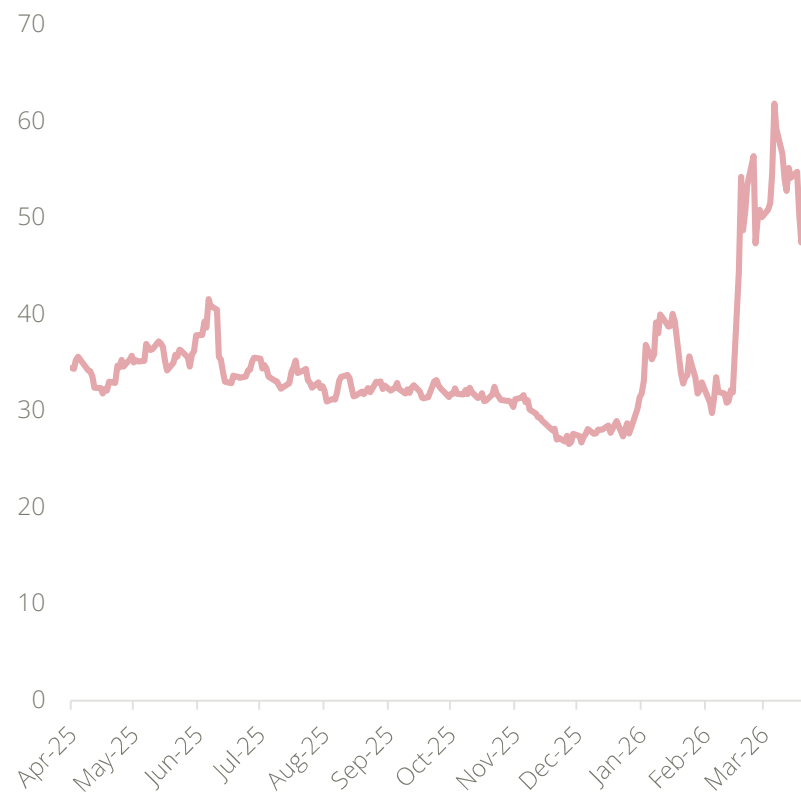
Outlook

Short term energy costs are up c.70%...

Brent Crude Price (\$/bbl, first contract)



Netherlands TTF Gas Price (EUR/MWh, first contract)

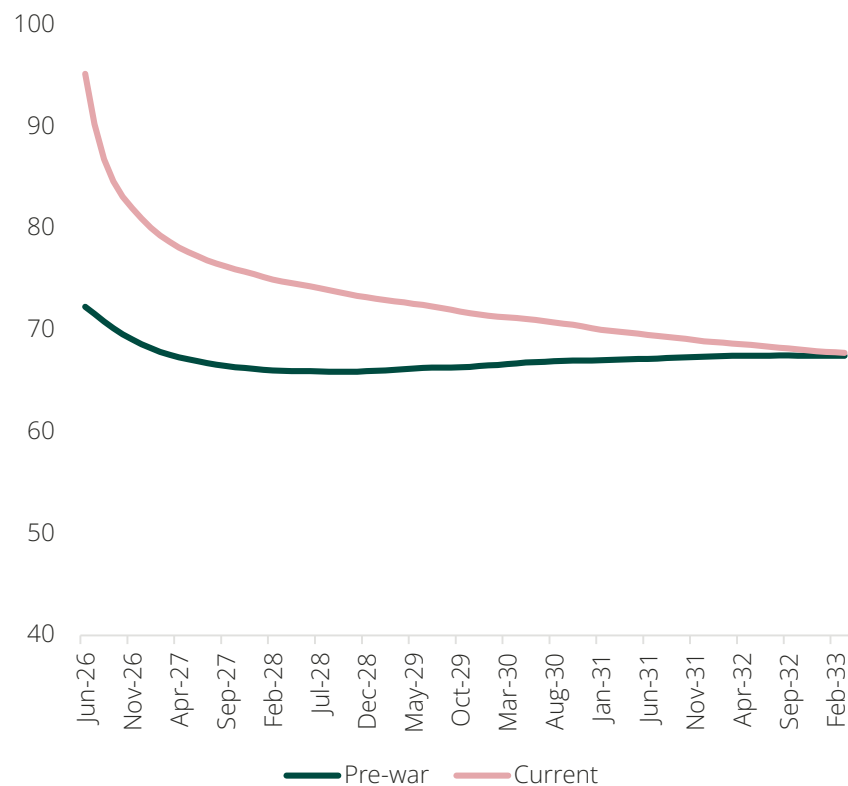


Source: Bloomberg Finance LP.

Outlook

... and futures markets predict elevated energy prices for several years

Brent Futures Curve (\$/bbl)



Netherlands TTF Gas Futures Curve (EUR/MWh)

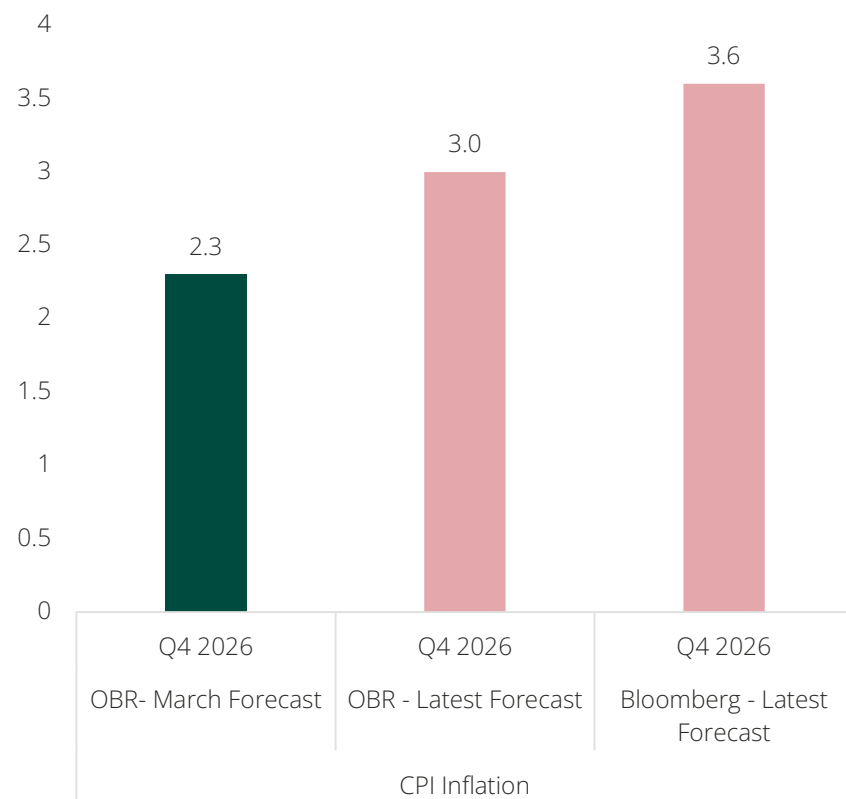


Source: Bloomberg Finance LP.

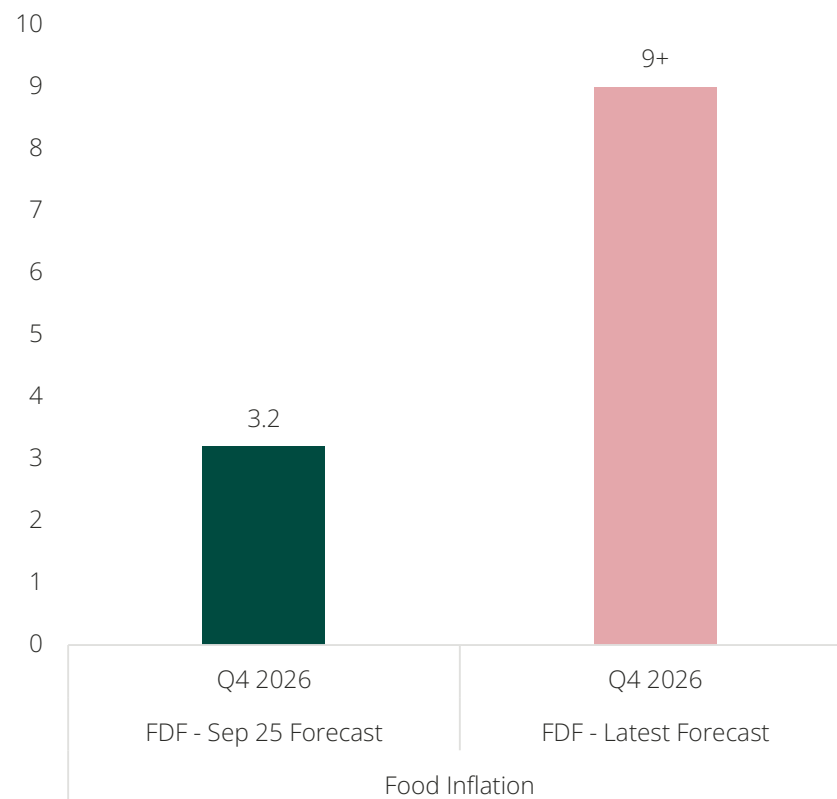
Outlook

Energy drives the initial inflationary impetus which then generalises

Forecast UK CPI at end-2026 (%)



Forecast UK food and beverage inflation at end-2026 (%)

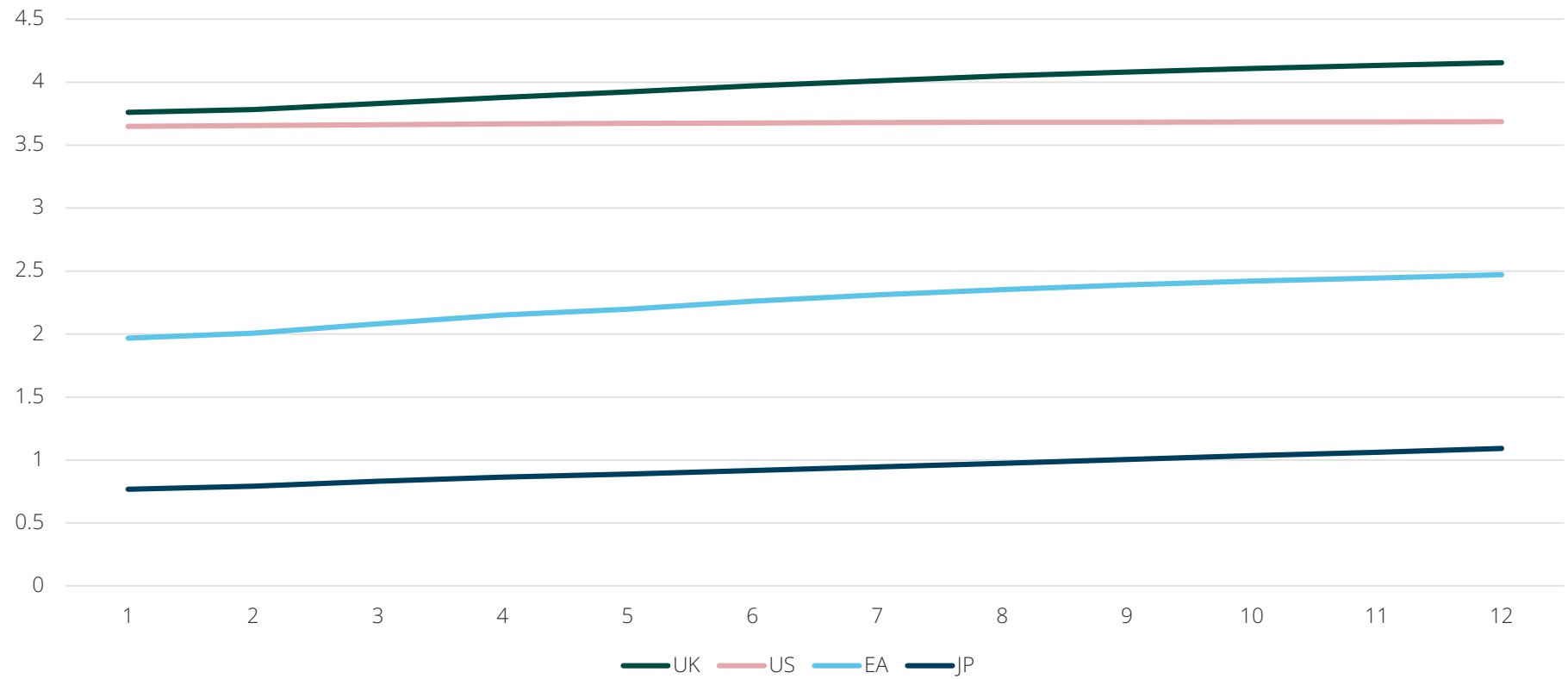


Source: Bloomberg Finance LP, UK Office for Budget Responsibility, UK Food and Drink Federation.

Outlook

Where inflation goes, interest rates follow

Market implied Central Bank Rate (%)

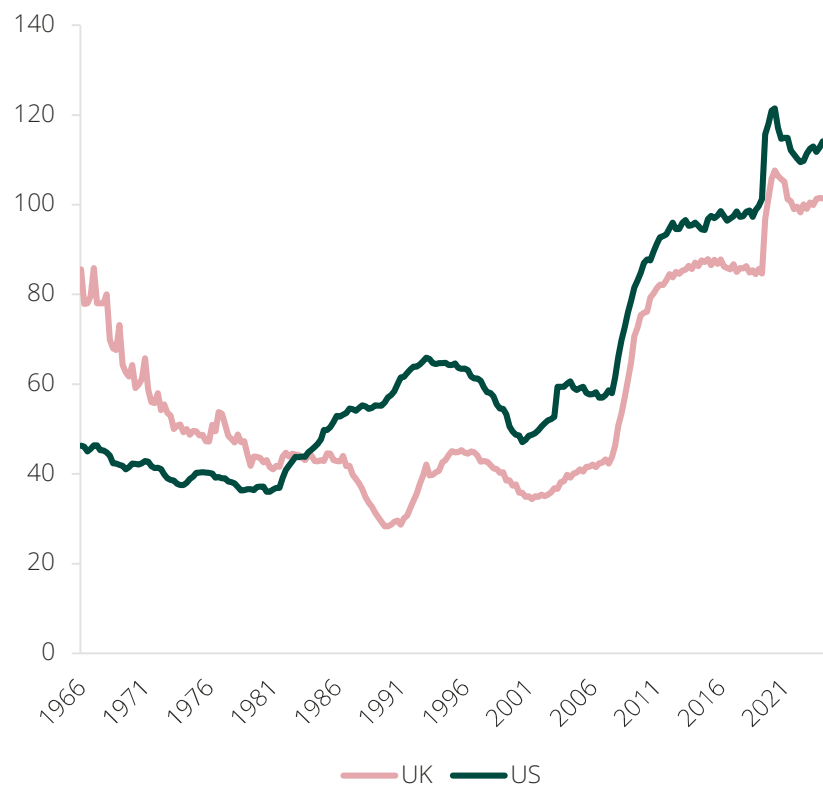


Source: Bloomberg Finance LP

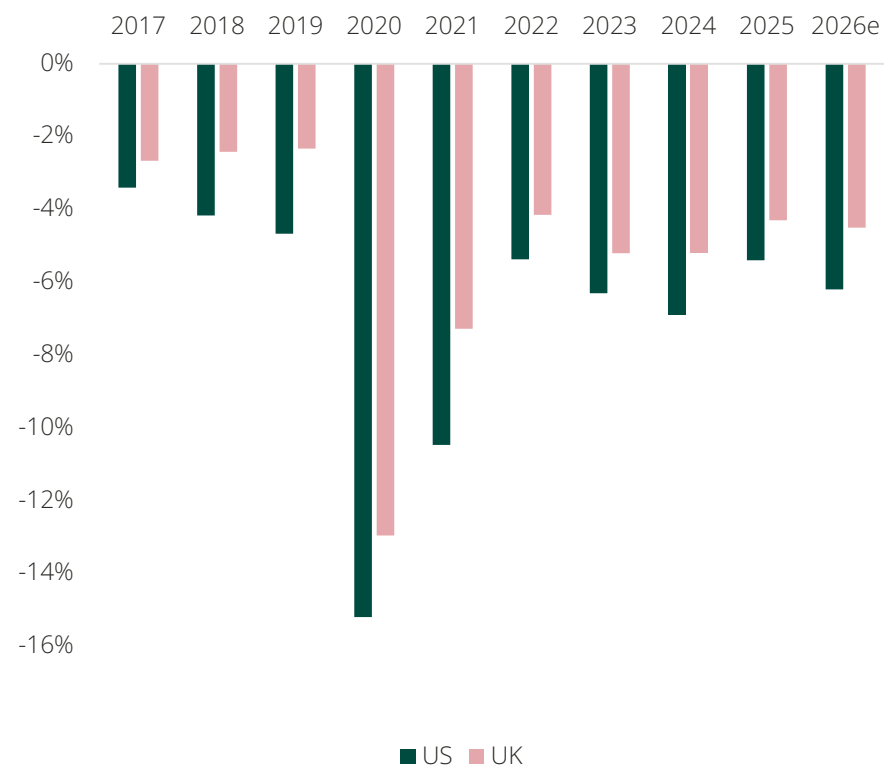
Outlook

Government deficits were already out of control and will now deteriorate

UK & US Government Debt (% of GDP)



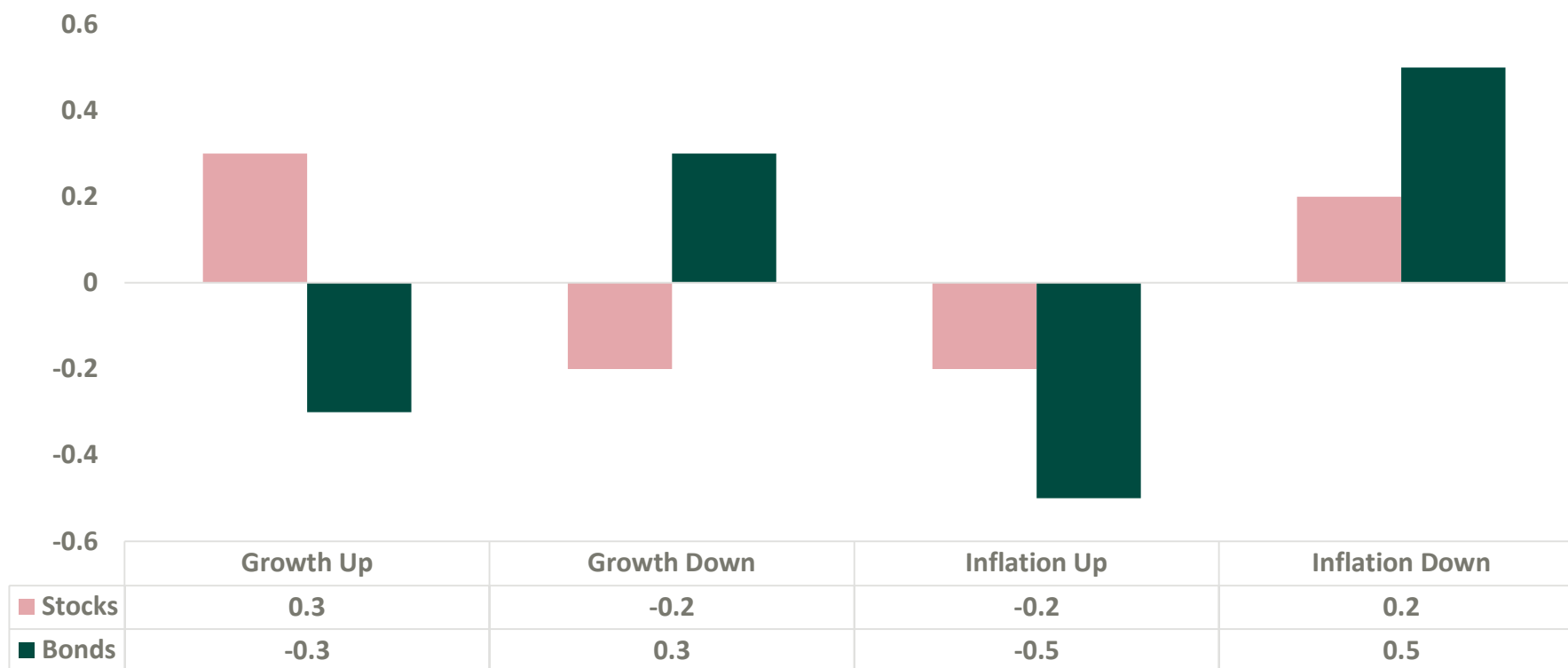
UK & US Fiscal Balance (% of GDP)



Source: Bank for International Settlements, Bloomberg Finance LP.

Elevated inflation is the scenario that causes 60:40 portfolio to breakdown

Sharpe Ratio Differentials by Macro-economic Environment 1972-2022

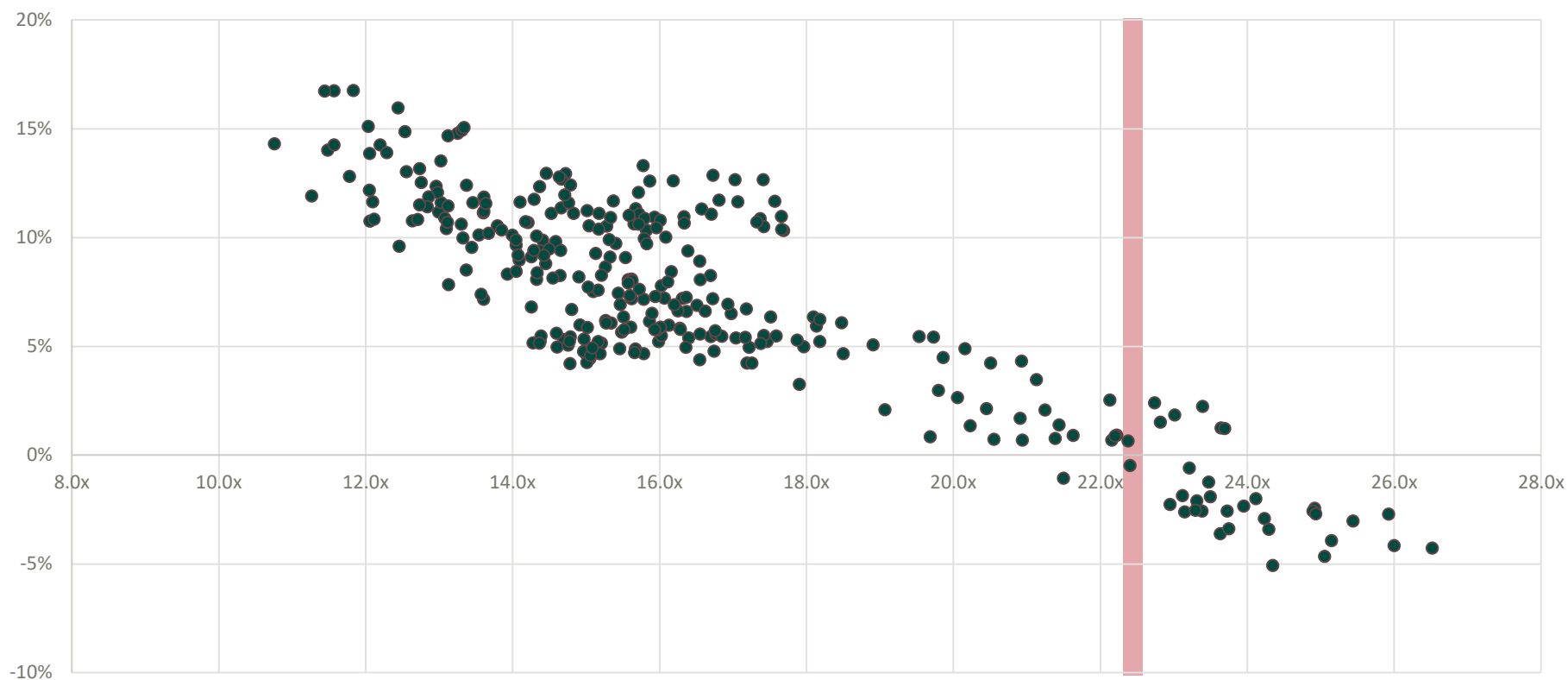


Source: Journal of Portfolio Management 49:4 March 2023

Outlook

Historical experience would suggest poor prospective 10 year returns

S&P 500 forward P/E ratios and subsequent 10-year returns (% annualised total return)

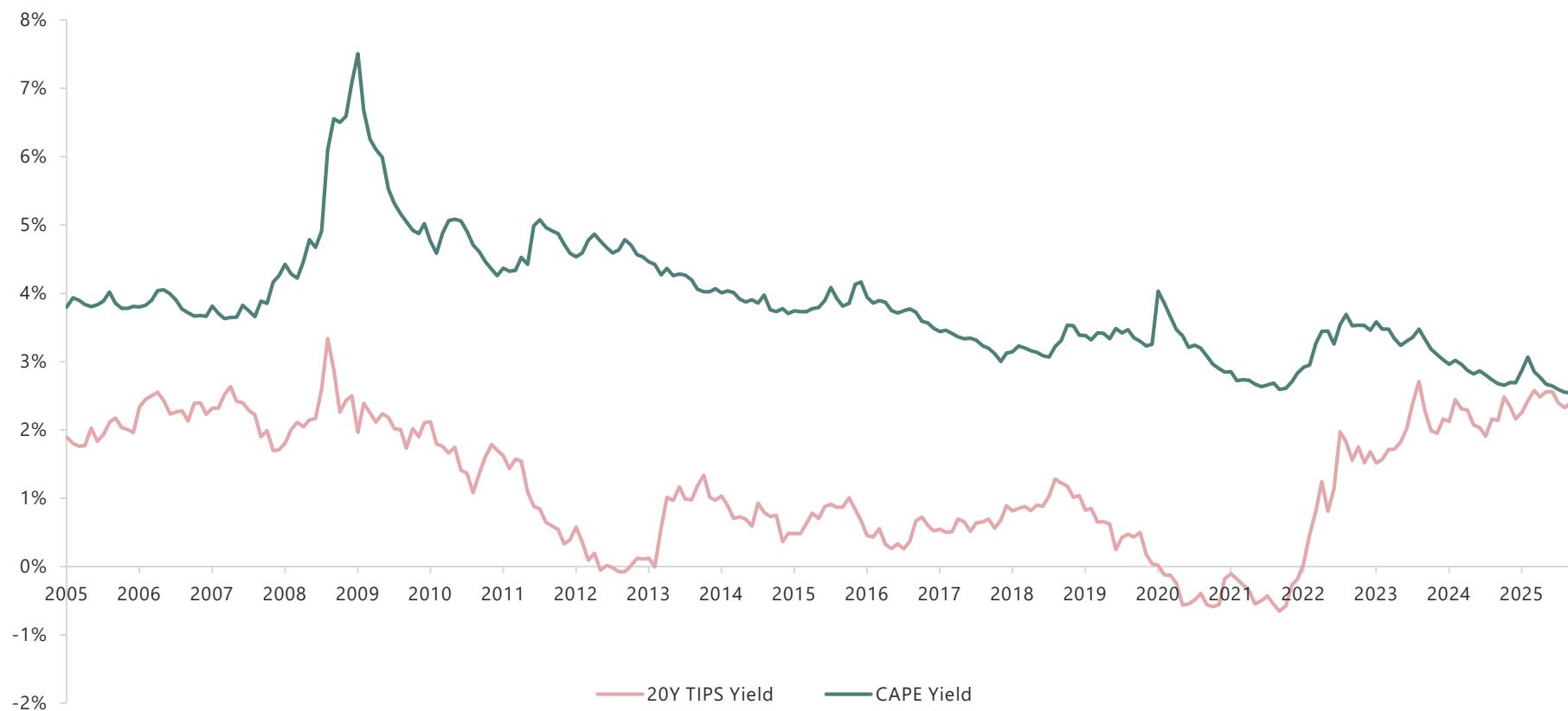


Source: Bloomberg L.P. data since 1990 which is the earliest available, CGAM analysis

Outlook

Equity markets seem surprisingly relaxed about geopolitical events

S&P 500 CAPE Yield vs. 20Y TIPS Yield



Source: Bloomberg Finance LP

Outlook

When it comes to long term returns starting valuations really *really* matter

S&P 500 - 10 Year Annualised Returns by starting CAPE Decile

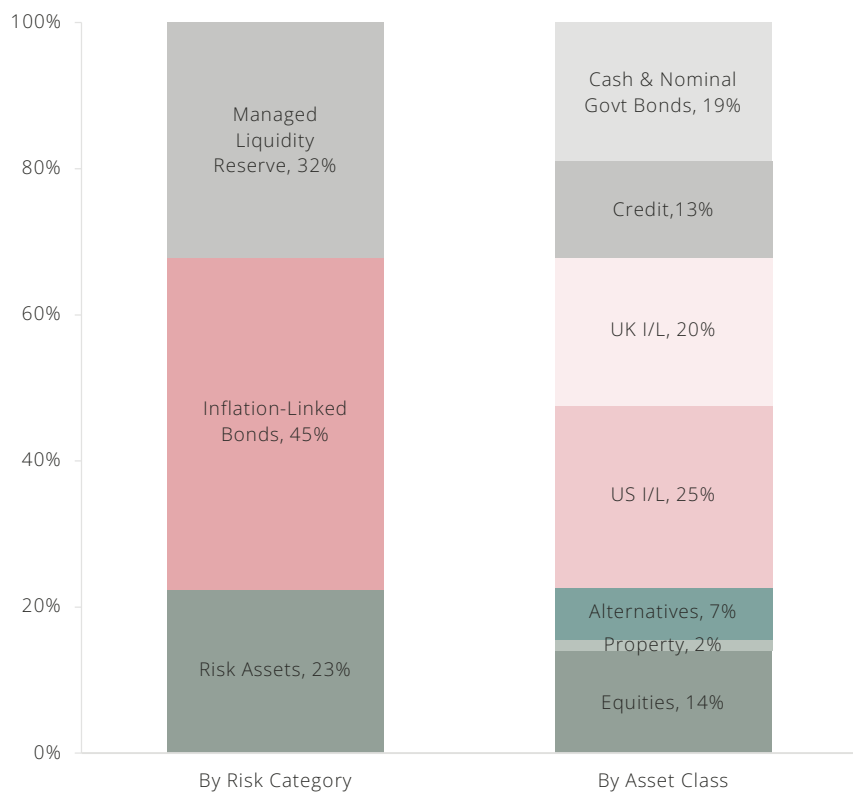


Source: Robert Shiller Online Dataset (yale.edu), CGAM Analysis

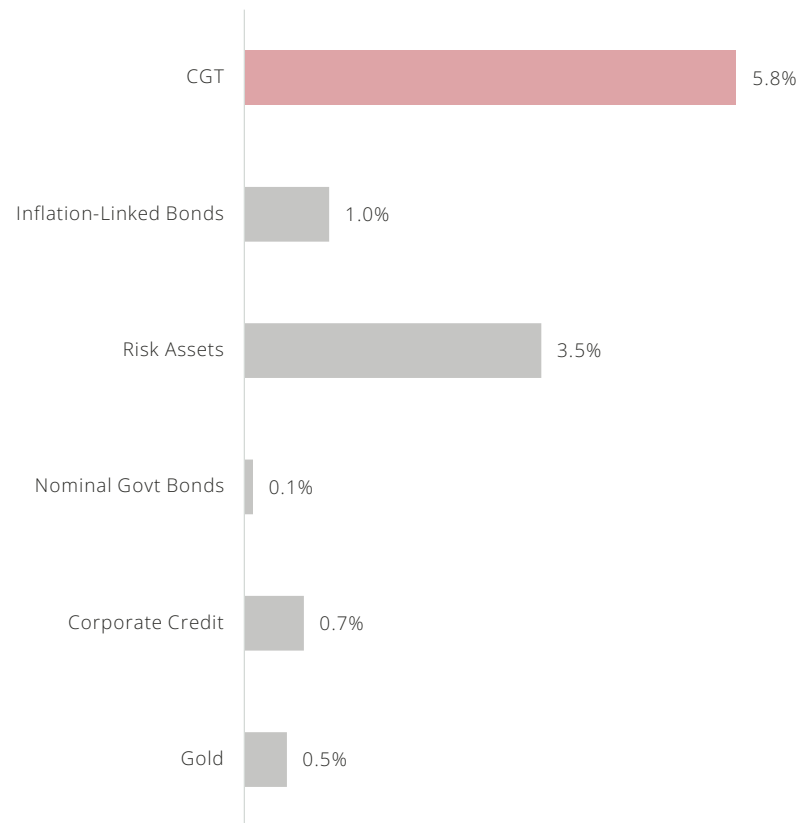
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Q&A

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