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CG Asset Management

Q1 2023 Webinar

April 2023



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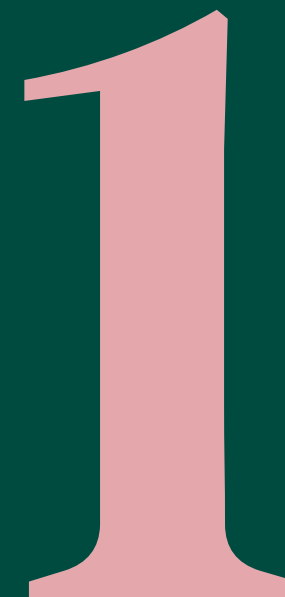
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Returns and Positioning

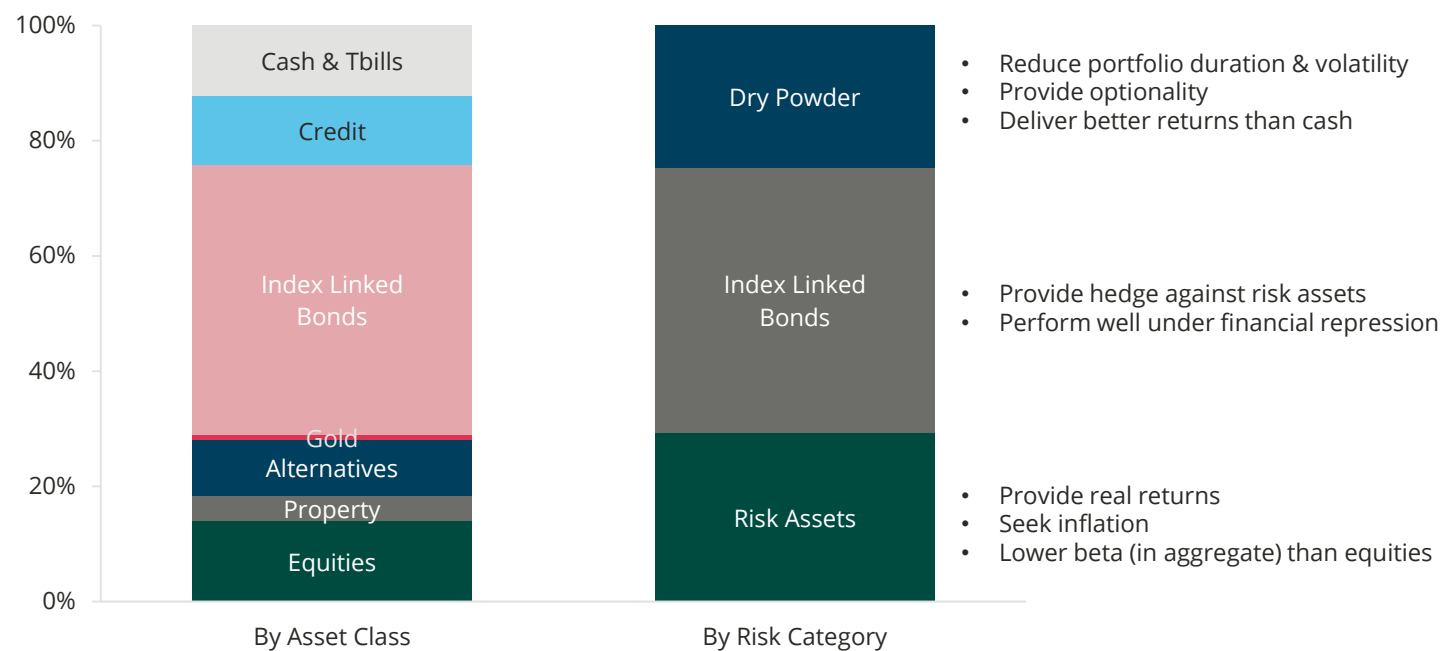
CGAM Multi Asset Update



OUTLOOK

Positioning remains defensive with a focus on inflation protection

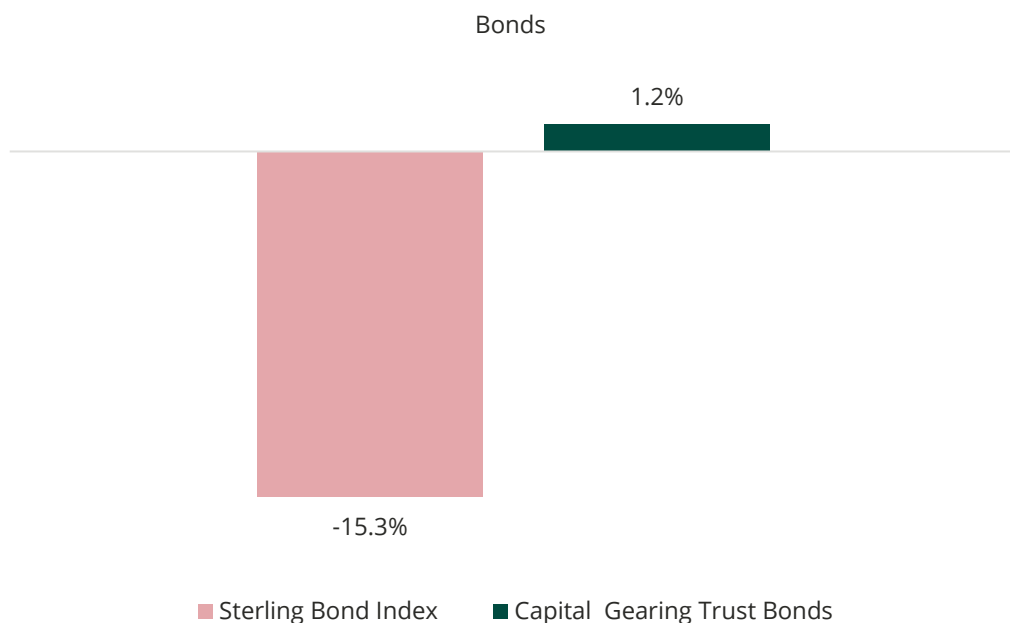
CGT Asset Allocation March 2023



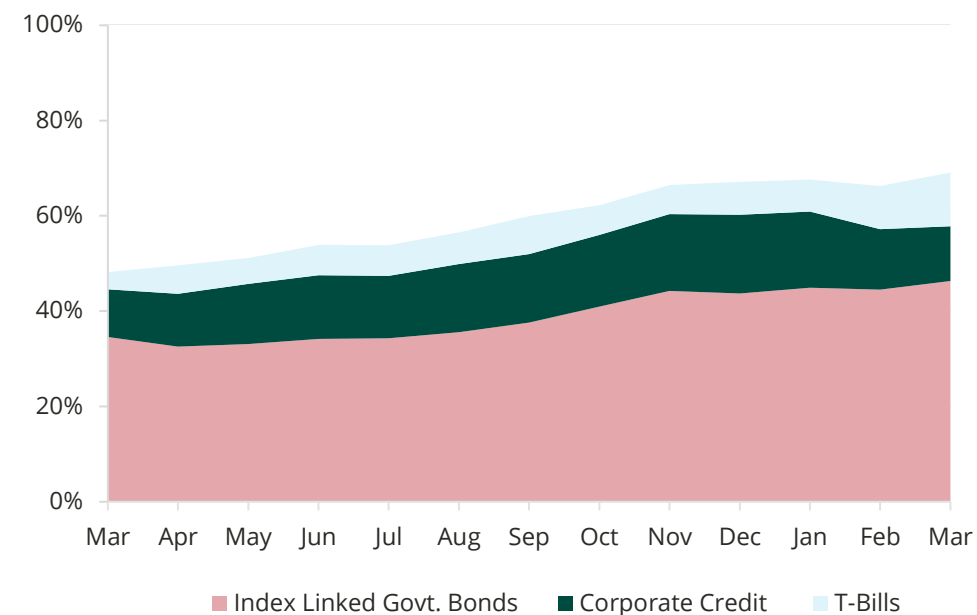
RETURNS AND POSITIONING

Bond market weakness has offered an opportunity to increase exposure

CGT Bonds* Returns Recent Performance LTM To Mar 2023 (%)



CGT Bond Portfolio Weighting



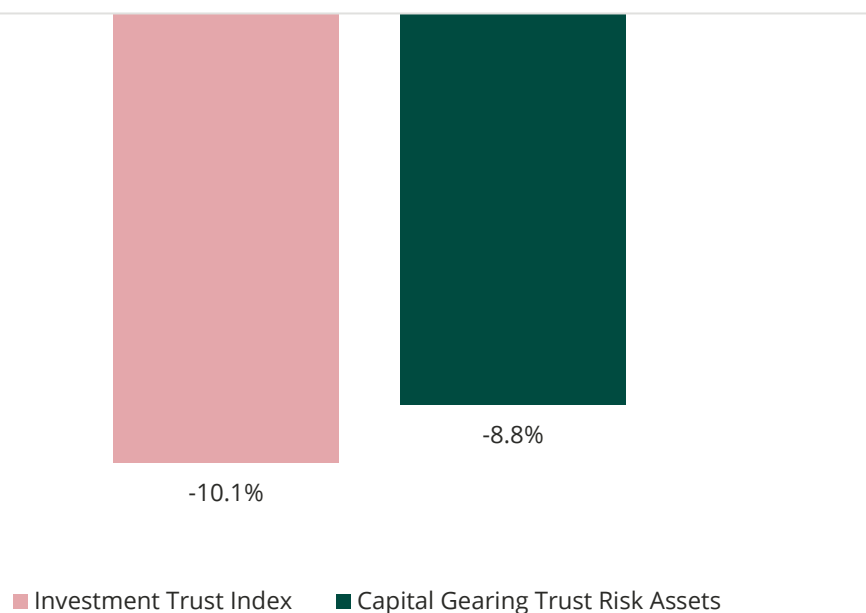
Source: CGAM, Bloomberg Finance L.P., Bloomberg Sterling Aggregate Bond Index = LC58TRGU, *bonds include credit and sovereign bonds

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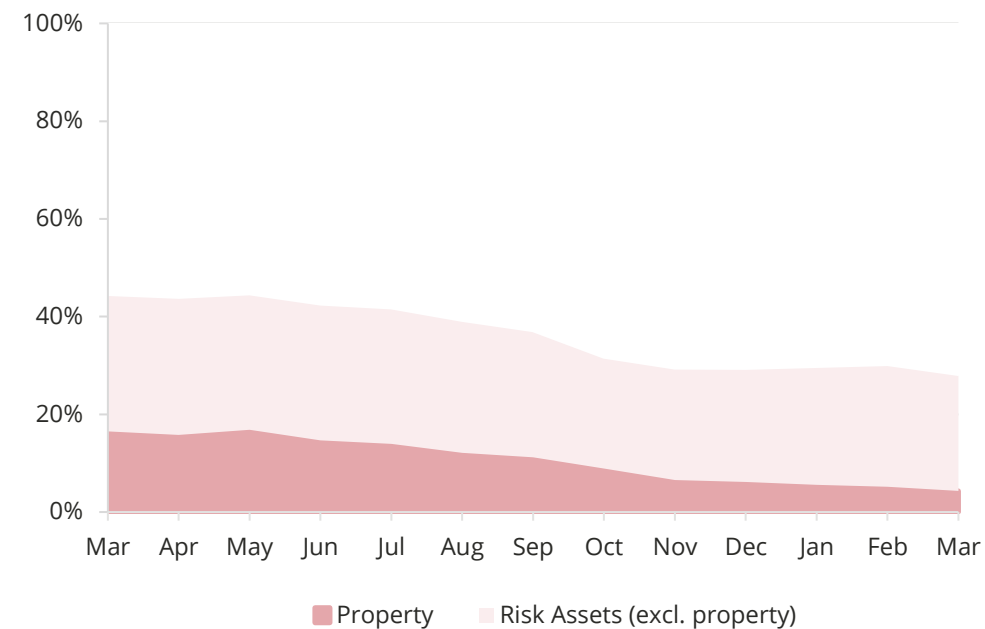
RETURNS AND POSITIONING

Risk asset weightings have continued to fall, led by a reduction in property

CGT Risk Assets* Returns Recent Performance LTM To Mar 2023 (%)



CGT Risk Assets Evolution



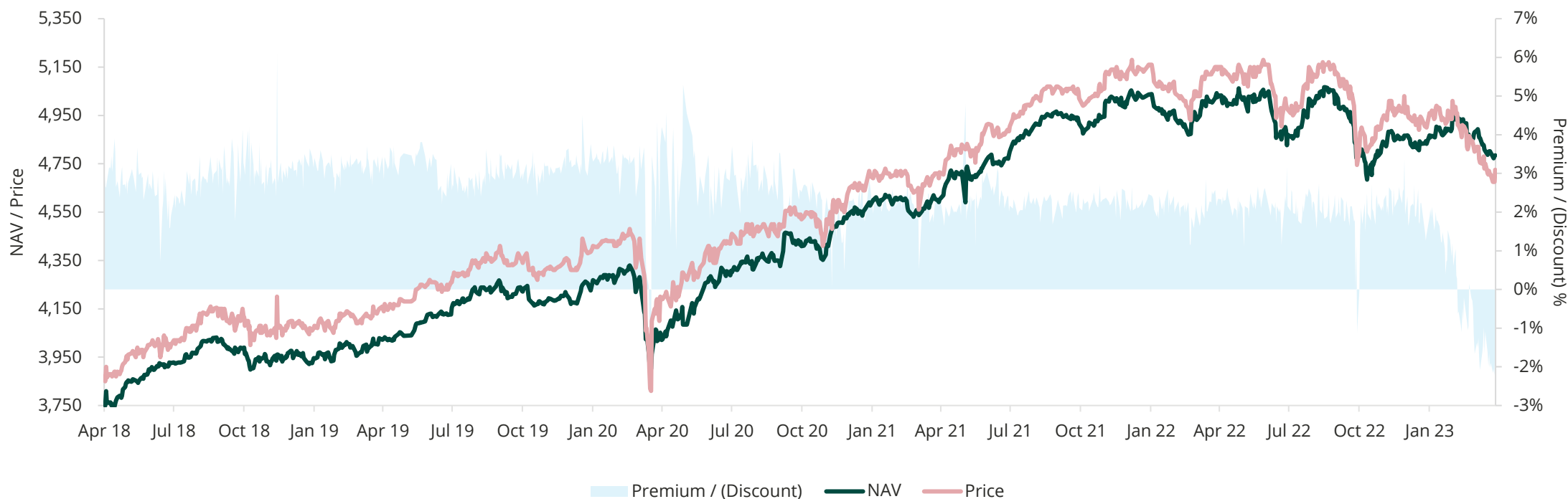
Source: CGAM, Bloomberg Finance L.P., Investment Trust Index = FAINVC Index *risk assets include equities, property, alternatives and gold.

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RETURNS AND POSITIONING

During Q1 a discount developed in CGT, so the Board is now buying back shares

CGT – Share Price, NAV and Discount Control



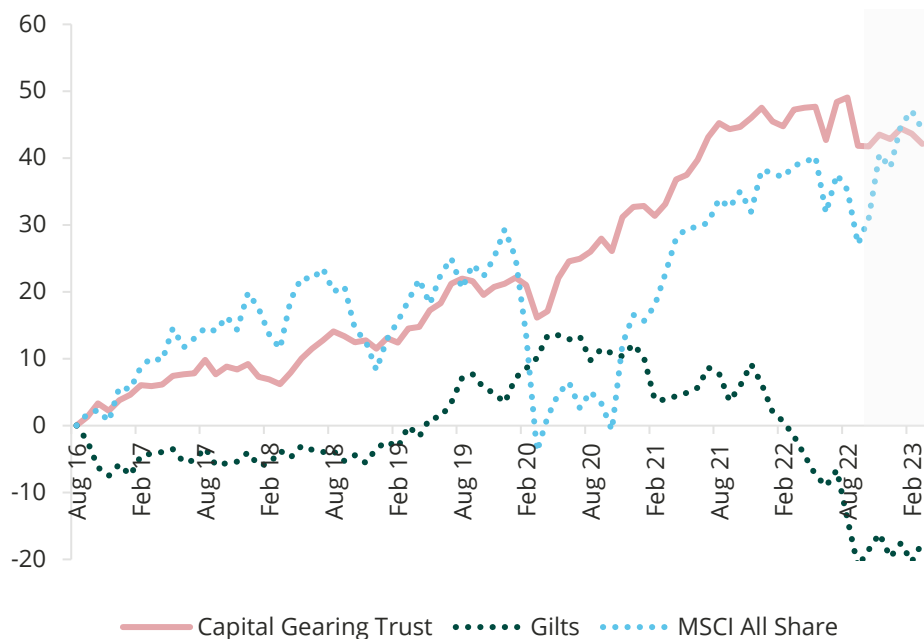
Source: CGAM, Bloomberg Finance L.P.

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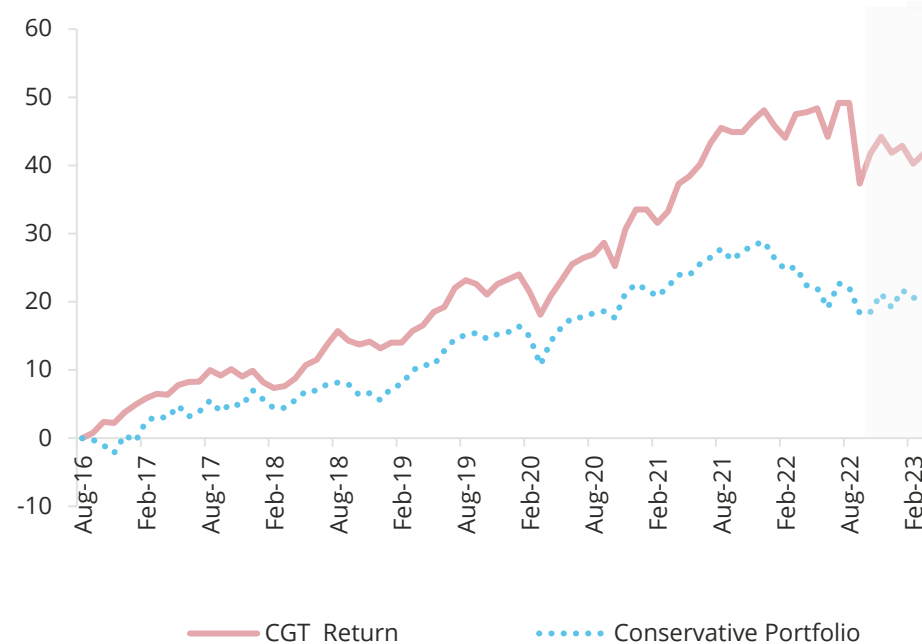
RETURNS AND POSITIONING

In a difficult environment, returns remain in-line with comparators

CGT NAV vs. Gilts & UK Equities – Total Returns



CGT NAV vs. Conservative Private Client Index – Total Returns



Source: Bloomberg Finance L.P., drawdown calculation based on month-end NAVs

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Outlook

What we are thinking about

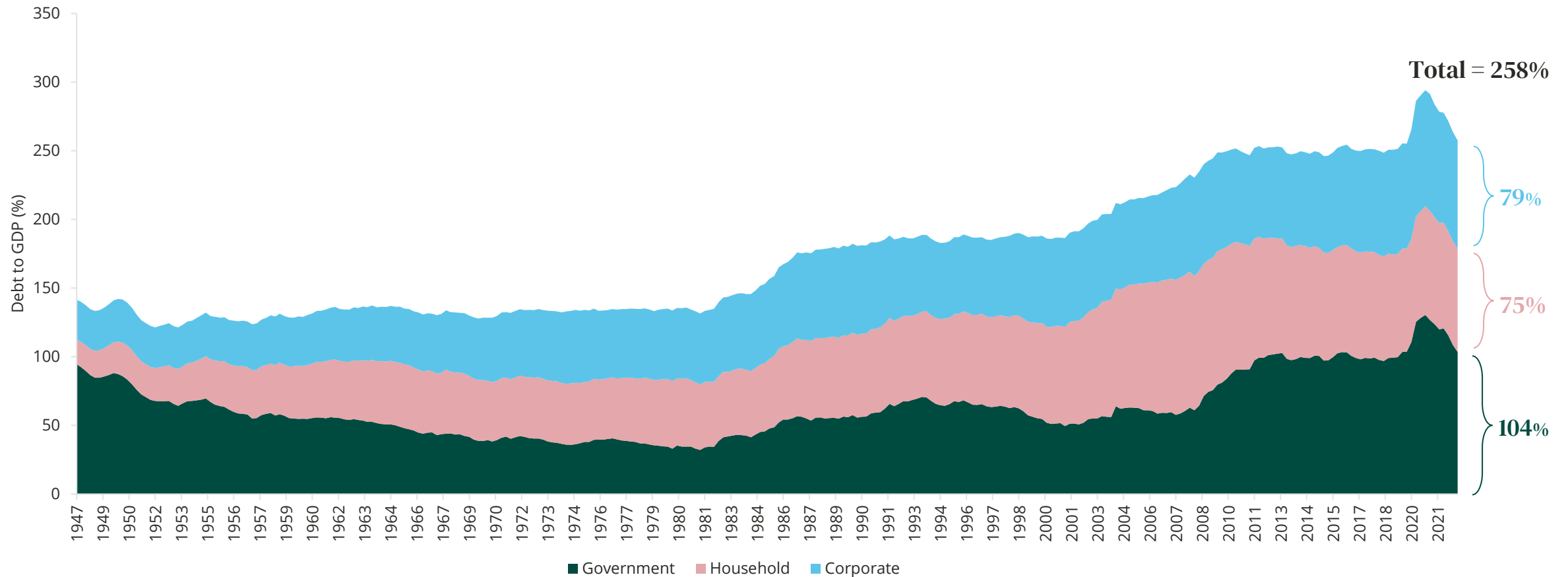


OUTLOOK

One foot is on the brake and the other is on the accelerator

OUTLOOK

Elevated debt is causing fragility across the economy and financial system



Source: Bank for International Settlements

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“[Markets] see inflation coming down in some cases much quicker than that, so we will have to see. We have a **different view**, a **different forecast really**. Given that, **I don't see the rates coming down**”

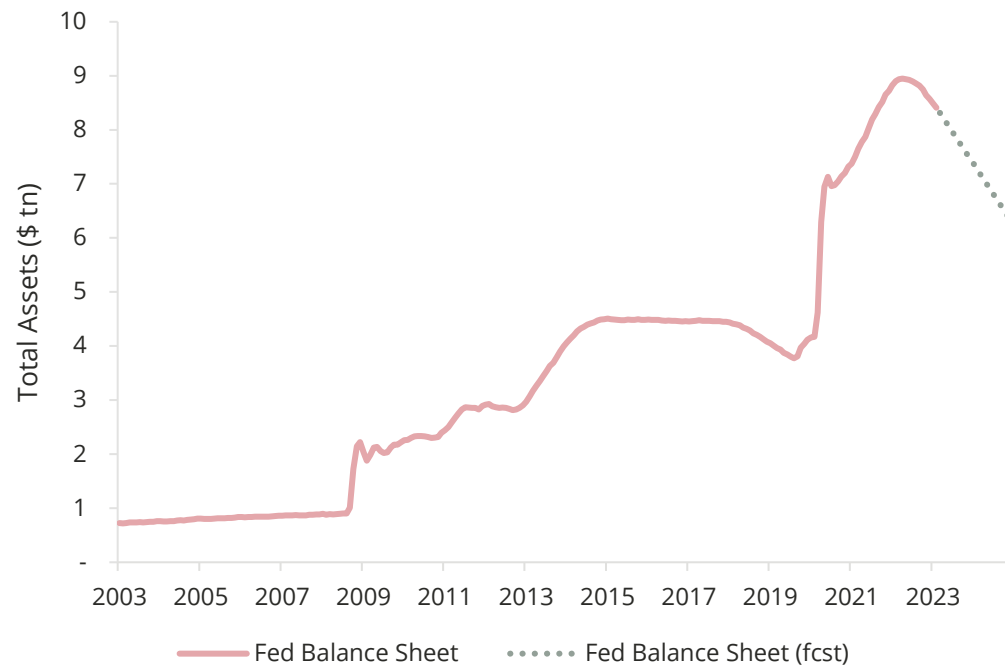
JEROME POWELL

FOMC PRESS COMMITTEE, 1 FEBRUARY 2023

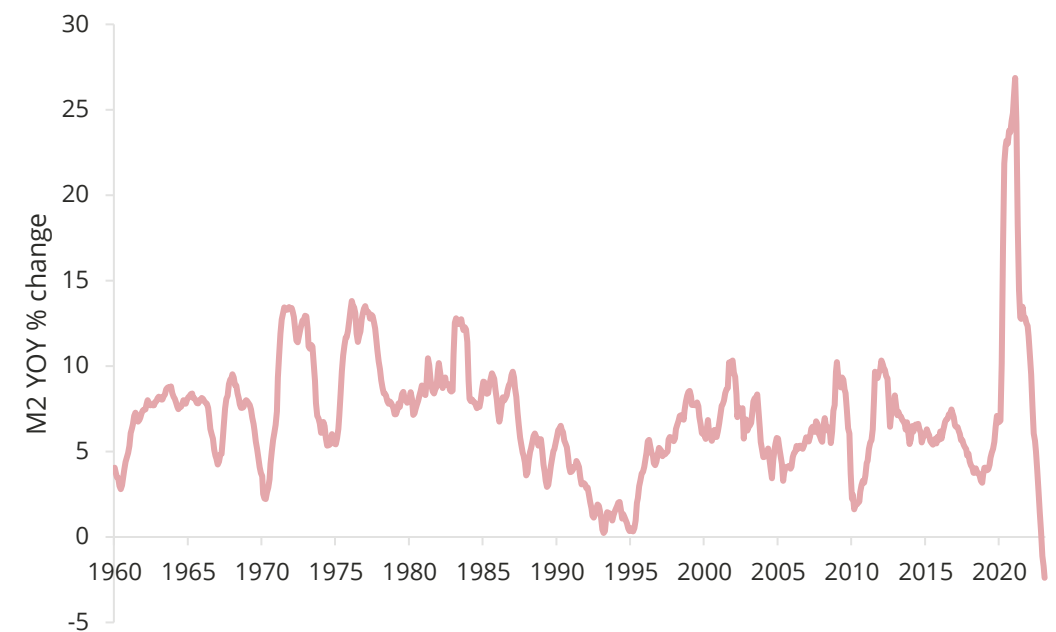
OUTLOOK

While the impact of Fed hiking on the real economy appears modest so far, we have concerns about the wider macroeconomic impact

Fed Balance Sheet Run-off Forecast (\$ tn)



M2 Money Supply - YoY % Change



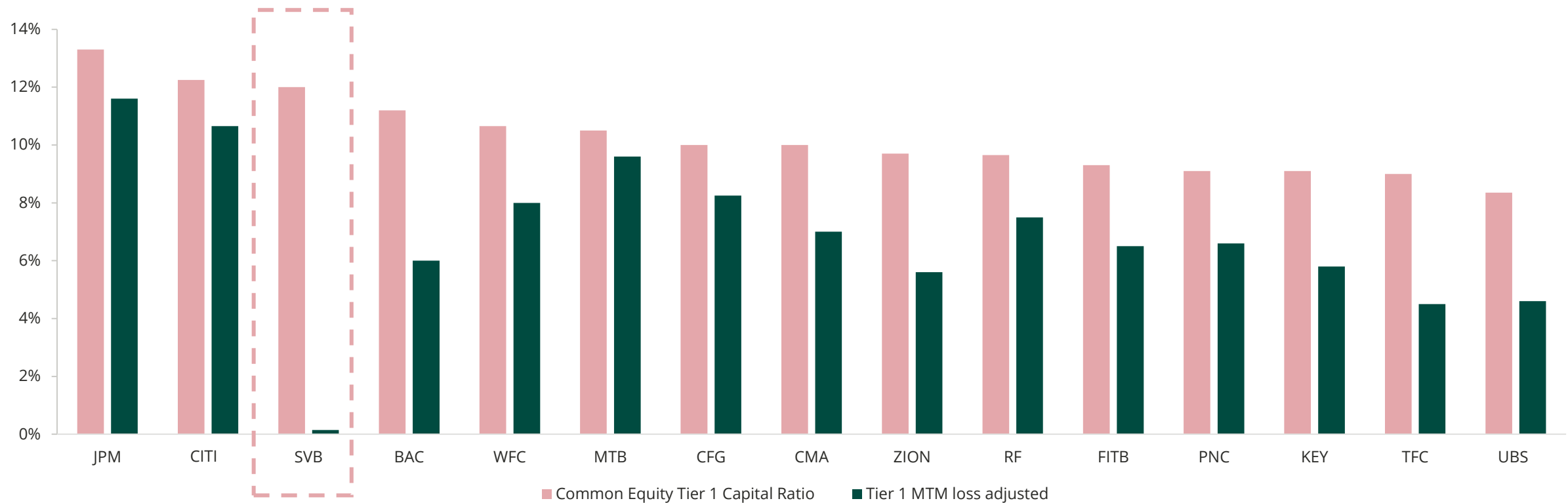
Source: Federal Reserve Economic Data

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OUTLOOK

SVB was an extreme example of a universal issue in the banking system

Tier 1 Capital and Adjusted Tier 1 Capital (after MTM losses on HTM portfolios)



Source: J.P.Morgan

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OUTLOOK

How many cockroaches are there in the kitchen?



OUTLOOK

Any questions?

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