

CG Asset Management

Q2 2023 Webinar

6 July 2023



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Overview

CG Asset Management (“CGAM”)

2001

Founded

Founded in 2001 by Peter Spiller, former Chief Investment Officer and Chief Strategist of Cazenove

£4bn

AUM

£4bn in assets under management*

2

Strategies

Manages two strategies, absolute return and real return, across five funds

11

Employees

Team of 11, based in London

257x

Return

Low cost offering, with fee reductions regularly reviewed

Capital Gearing Trust has returned 257x since 1982

**As at 31 May 2023*

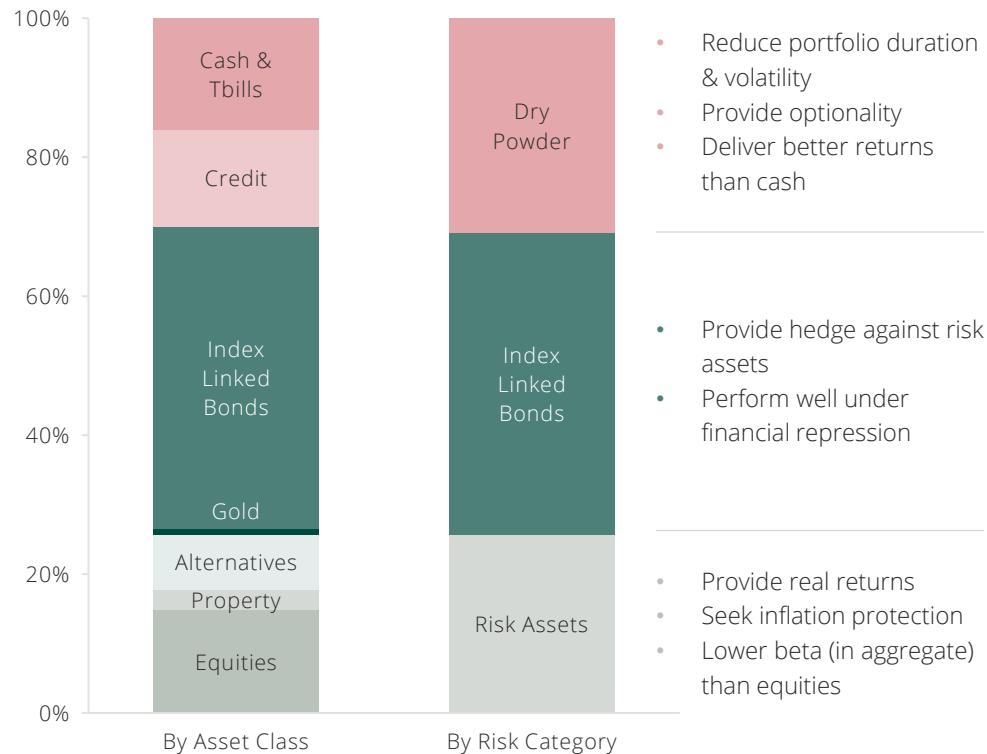
Returns & Positioning

Multi-Asset Strategy Update

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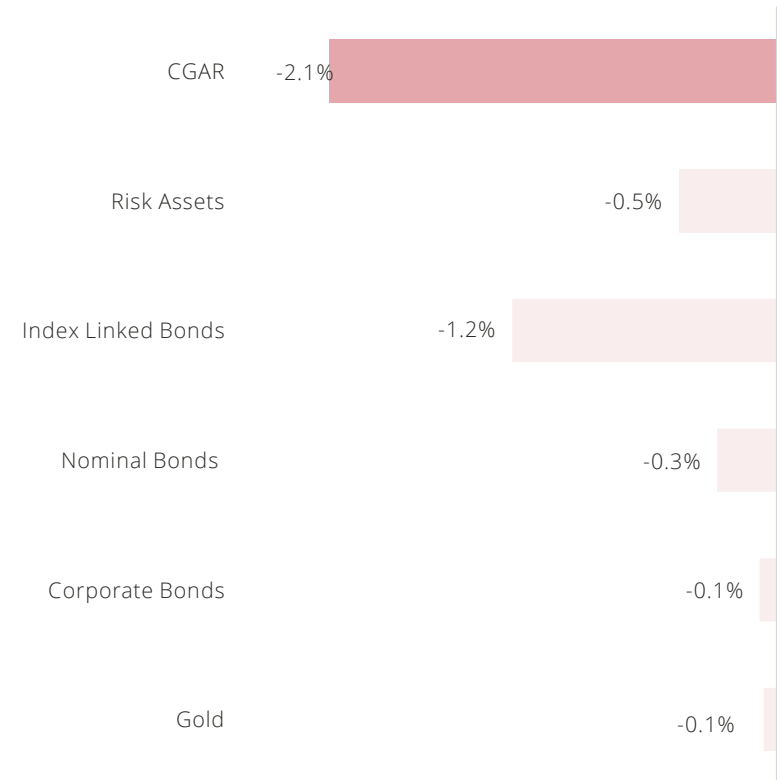
Defensive stance but both Dry Powder and Index Linked offer good yields

CGAR Asset Allocation June 2023



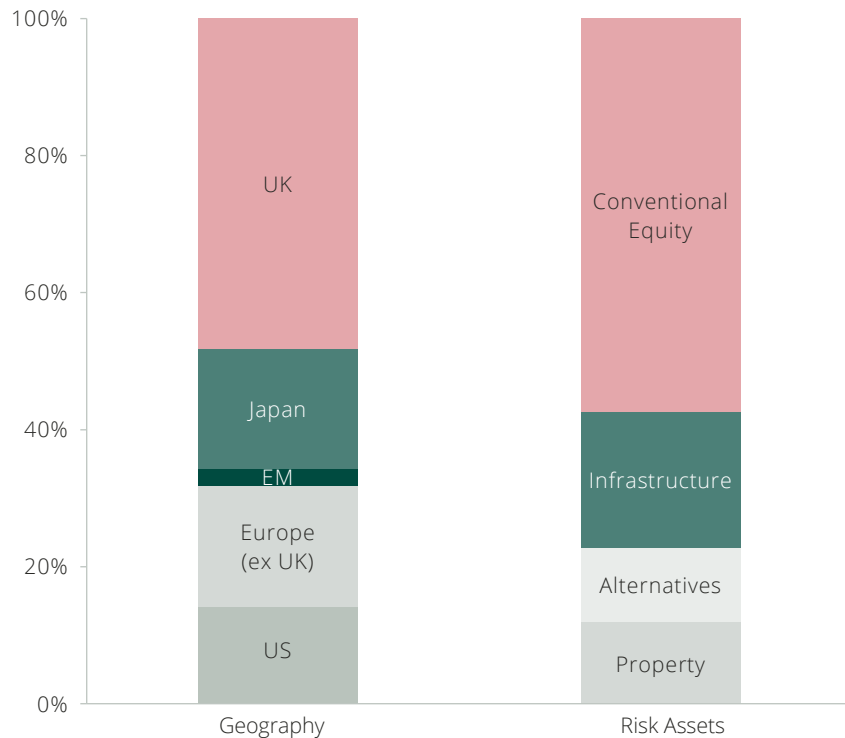
Source: CGAM, Bloomberg Finance L.P., Northern Trust

Contribution by Asset Class 2Q23



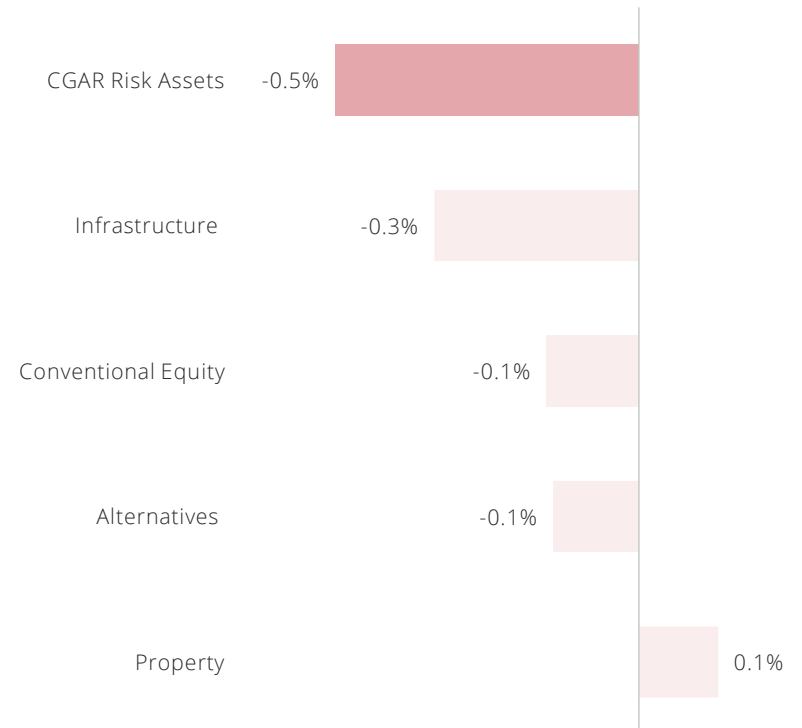
Infrastructure came under pressure during the quarter, now looks attractive

CGAR Risk Assets – Geographic Exposure and Asset Exposure



Alternatives include Core Infrastructure, Loan Funds, HY, PE & hedge funds
 Source: CGAM, Bloomberg Finance L.P., Northern Trust

2Q23 Risk Asset Performance

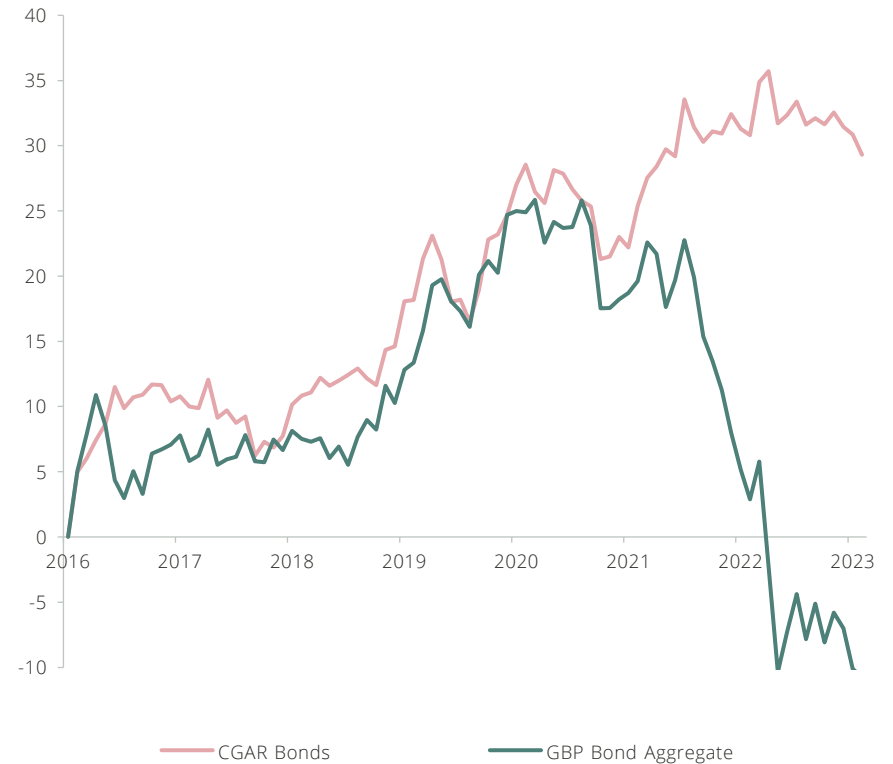


The bond portfolio has stood up well compared to Sterling Aggregate

CGAR Risk Assets* Performance to June 2023



CGAR Bonds Only* Performance to June 2023

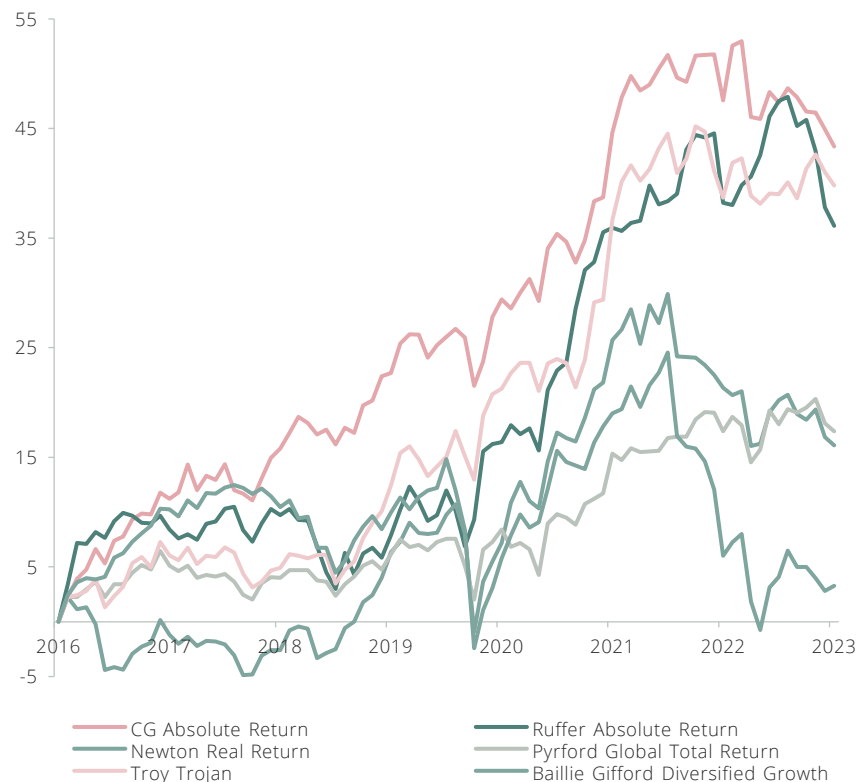


*Risk Assets include equities, property, alternatives and gold. Bonds include Credit and sovereign bonds (excluding T-Bills and Cash)
Source: Bloomberg Finance L.P., Northern Trust | Drawdown calculation based on month-end NAVs

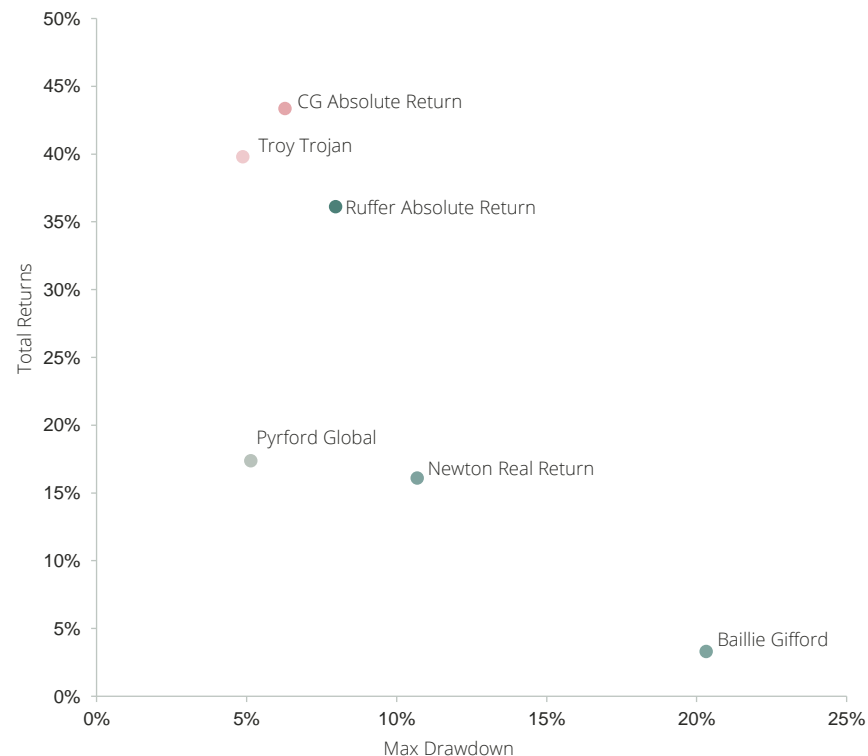
Positioning and Returns

CGAR has delivered good risk adjusted returns relative to its peers

CGAR vs. Peers – Total Returns to June 2023



CGAR vs. Peers – Max Monthly Drawdown

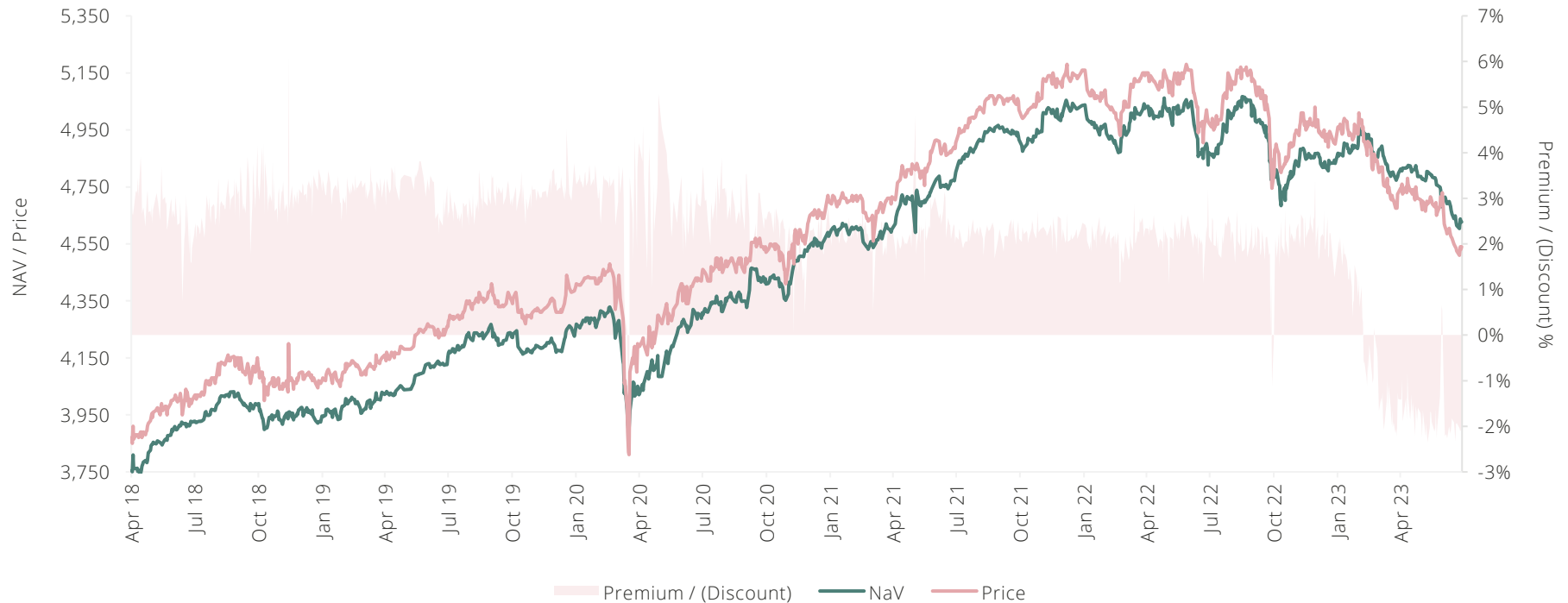


*Risk Assets include equities, property, alternatives and gold. Bonds include Credit and sovereign bonds (excluding T-Bills and Cash)
 Source: Bloomberg Finance L.P., Northern Trust | Drawdown calculation based on month-end NAVs

Positioning and Returns

A discount has developed in CGT, so the company is buying back shares, consistent with the discount control mechanism

CGT – Share Price, NAV and Discount Control to June 2023



Source: CGAM, Bloomberg Finance L.P.

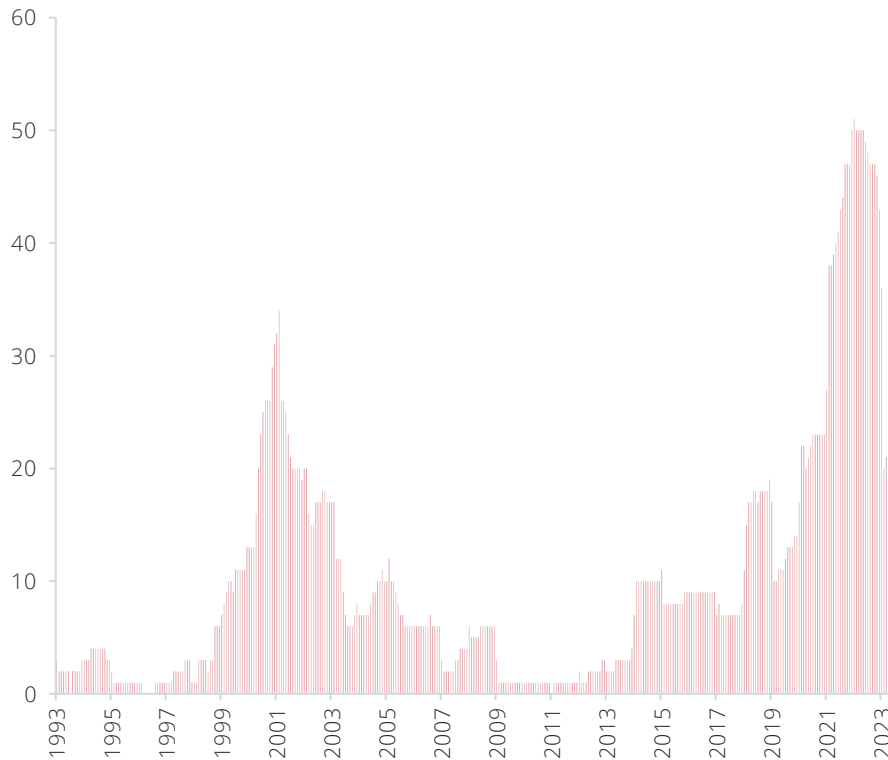
Outlook

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Outlook

Bursting the “everything bubble” and replacing it with a “big tech bubble”?

“What Were You Thinking?” Index¹



FANG+ Index²



¹ Number of companies in the S&P500 (excluding REITS and property companies) valued at greater than 10x sales

² Equal weighted index comprising Tesla, Meta Platforms, Apple, Amazon, Microsoft, Netflix, NVIDIA, Alphabet, Snowflake, AMD

Source: CGAM, Bloomberg Finance L.P.

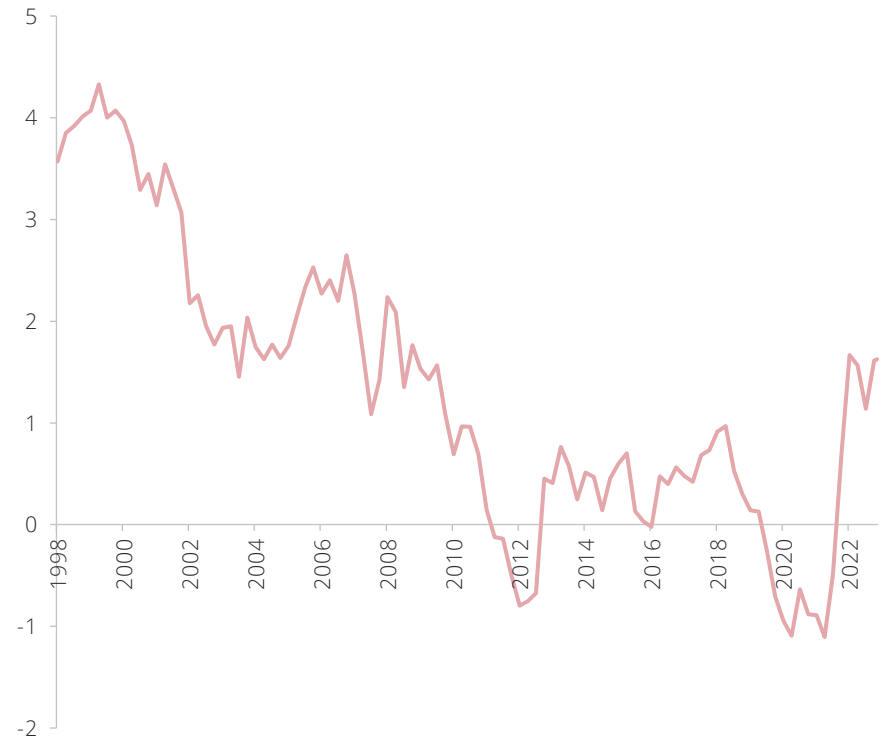
Outlook

But the similarities with 2000 end there... rates today are nowhere near as compelling

US 10 Year Nominal Rates (%)



US 10 Year Real Rates (%)

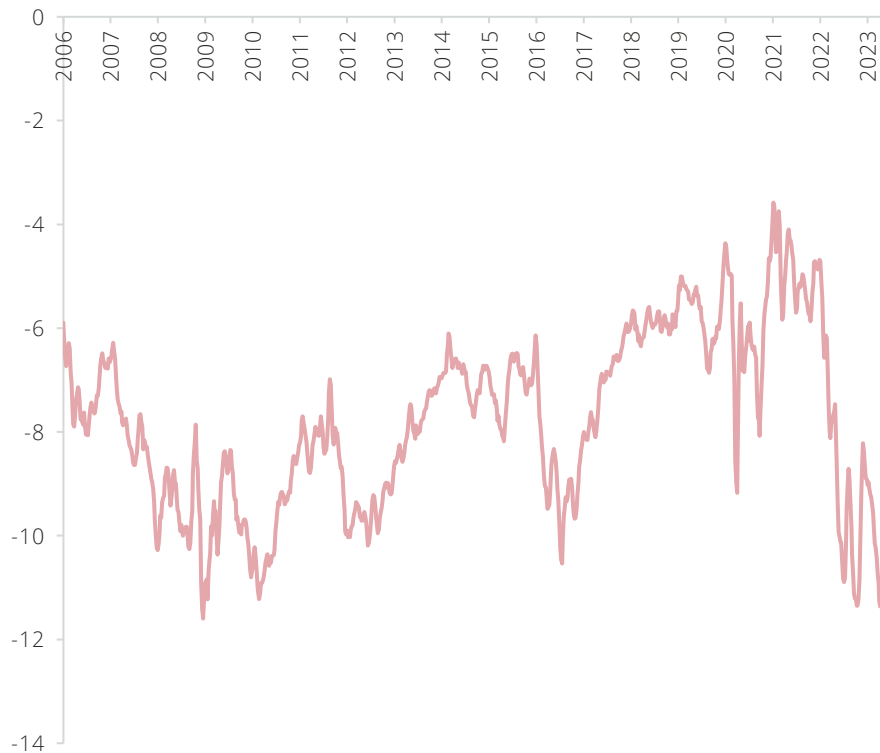


Source: Bloomberg Finance L.P.

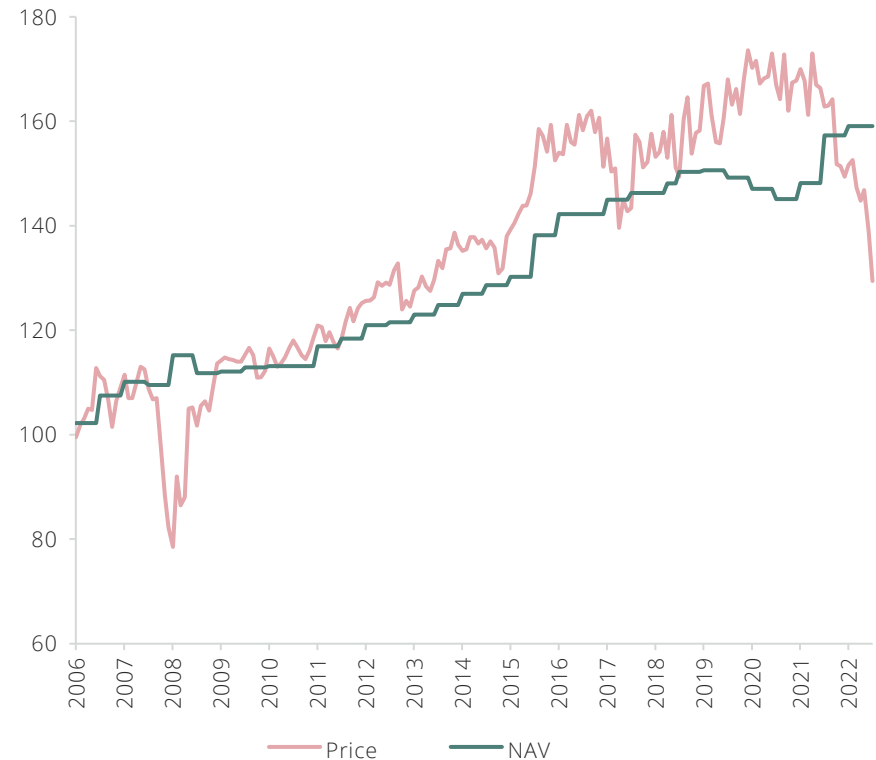
Outlook

Attractive discounts are emerging in conventional trusts and among alternatives

Conventional Equity Investment Trust Discounts (%)



INPP NAV and Share Price (p per share)



Source: Numis, Bloomberg Finance L.P.

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