

# CG Asset Management

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*Q4 2024 Webinar*

January 24

**cgam**



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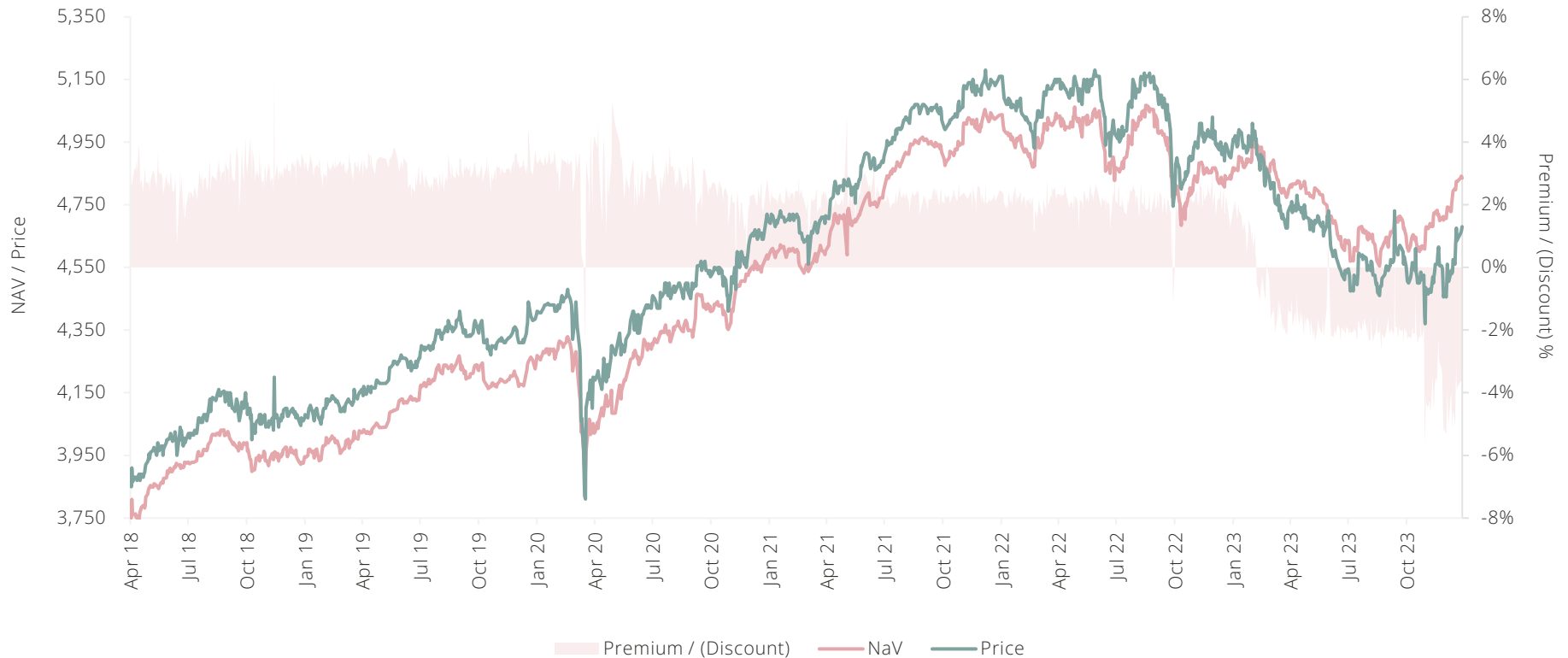
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*Positioning and Returns*

# The Company remains absolutely committed to its discount control policy which should revert to normal operation very soon

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

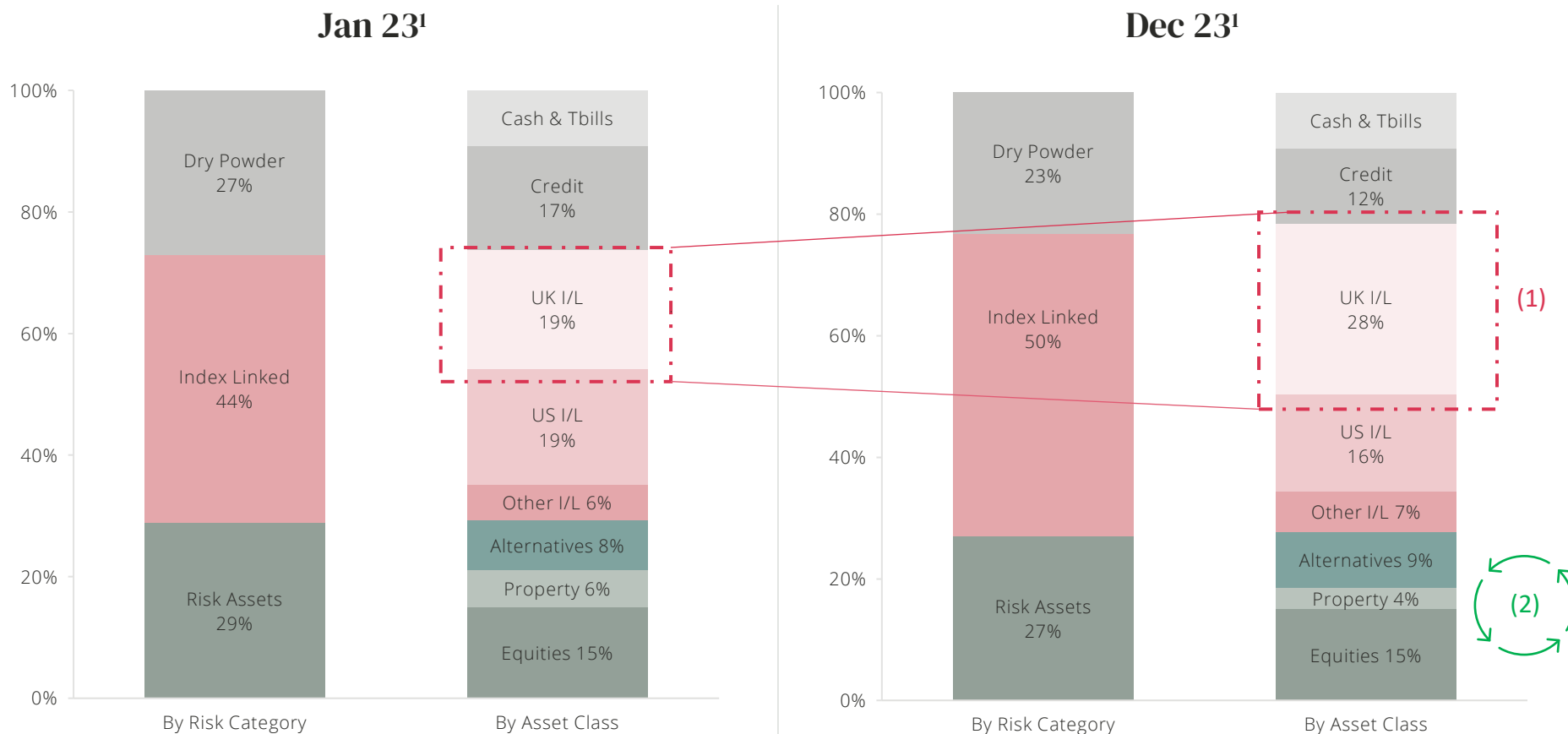


# *Review of Q4 and 2023*

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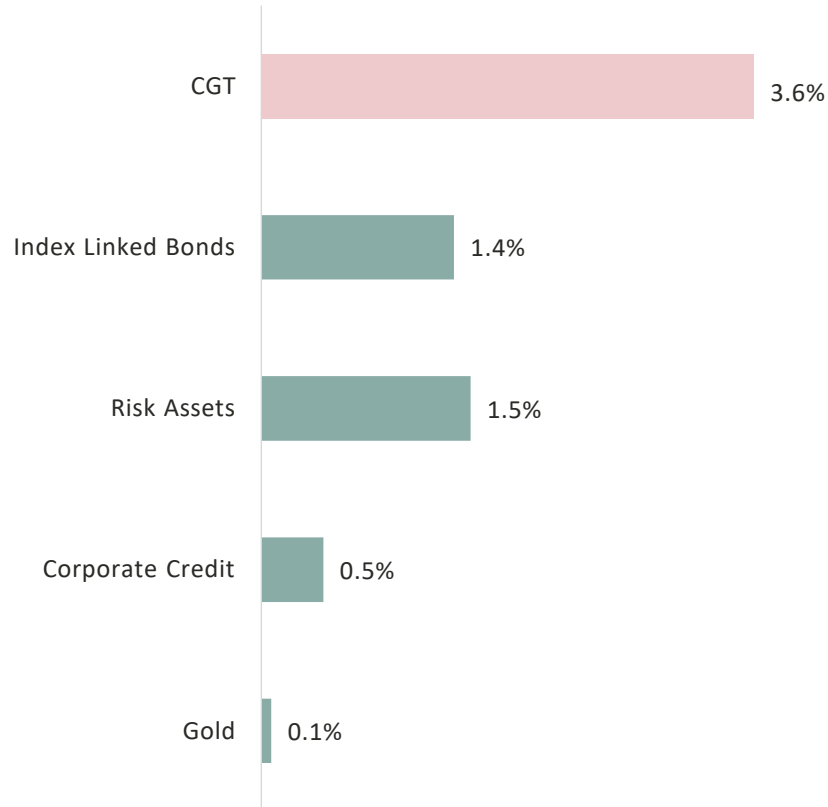
# Over the year we have increased (1) UK I/L bonds and (2) repositioned equities



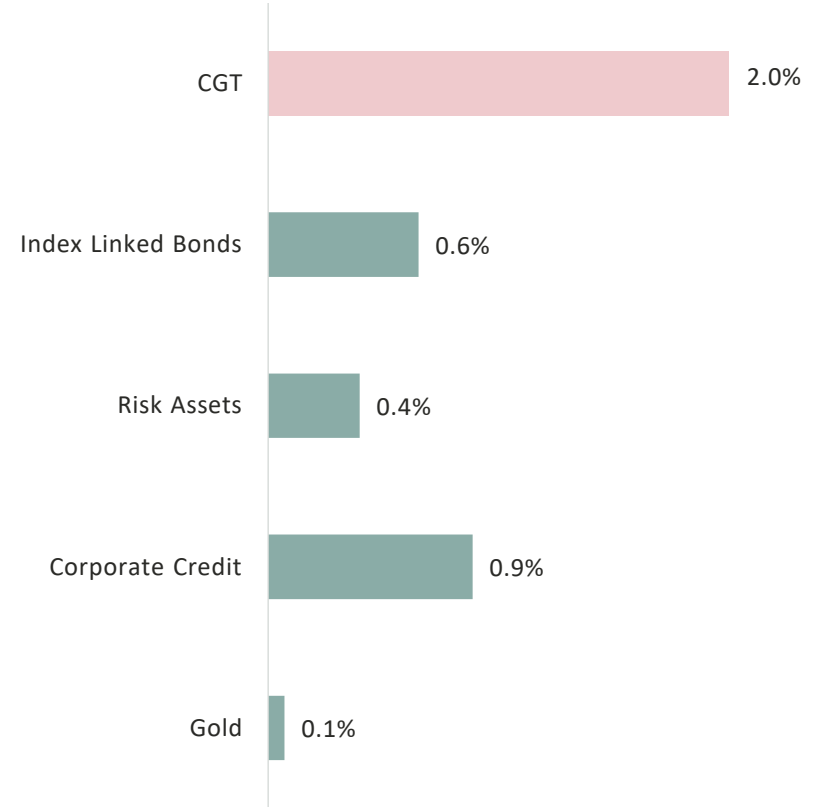
1. CGT asset allocation as at 3<sup>rd</sup> January 2023 and 29<sup>th</sup> December 2023, risk assets include gold  
Source: CGAM, Bloomberg Finance L.P.

# Strong Q4, with positive contributions across all asset classes over the year

4Q 2023 - Asset Class Contribution - CGT<sup>1</sup>



2023 - Asset Class Contribution - CGT<sup>1</sup>



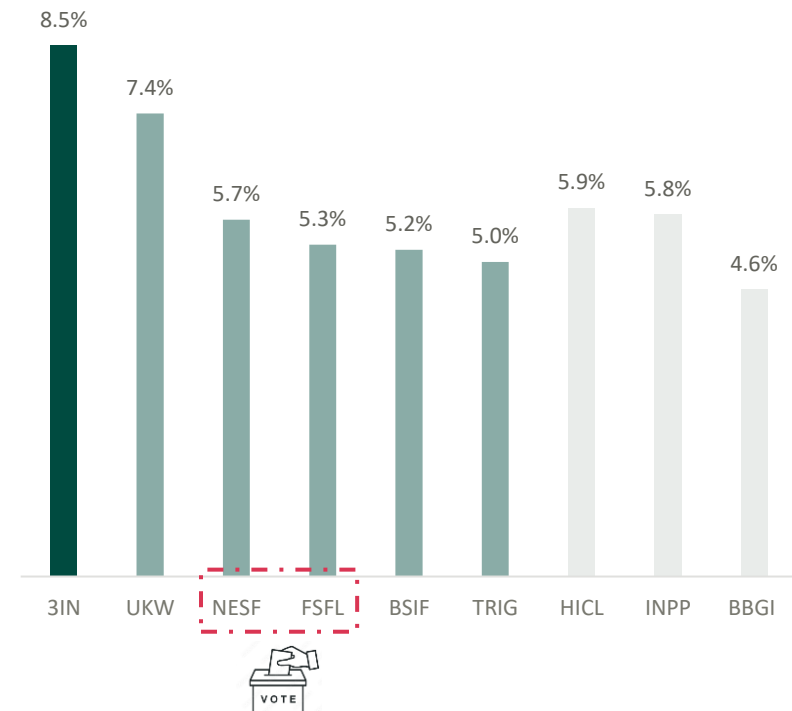
1. NAV performance gross of fees  
Source: CGAM, Bloomberg Finance L.P.

# Discounts are attractive, with more opportunities for active engagement

Investment Companies Premium (+) / Discount (-) %



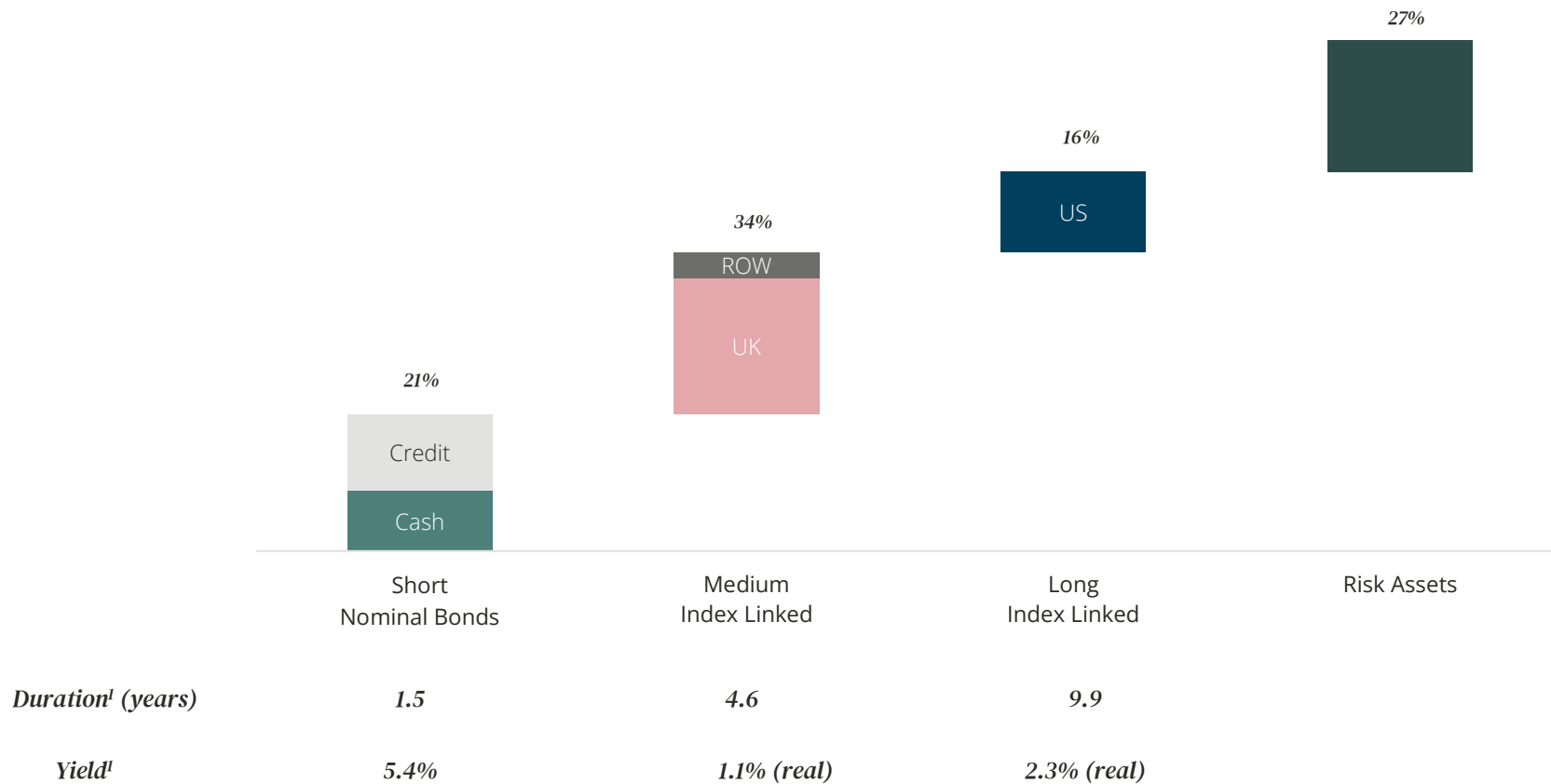
Infrastructure – Implied net real returns<sup>1</sup>



<sup>1</sup>Returns are schematic, net of fees and at recent prices. Returns are based on sensitivities from company and CGAM estimates of inflation and quality of earning. Any decline in power prices is through the model, ignores convexity and assumes a constant distribution of subsidised to merchant cashflows

# An all-weather workhorse, we are optimistic about prospective returns

## CGT Asset Allocation and Yields Dec 23



1. Weighted portfolio option adjusted duration and yield to maturity. UK real reflects RPI



# *Outlook*

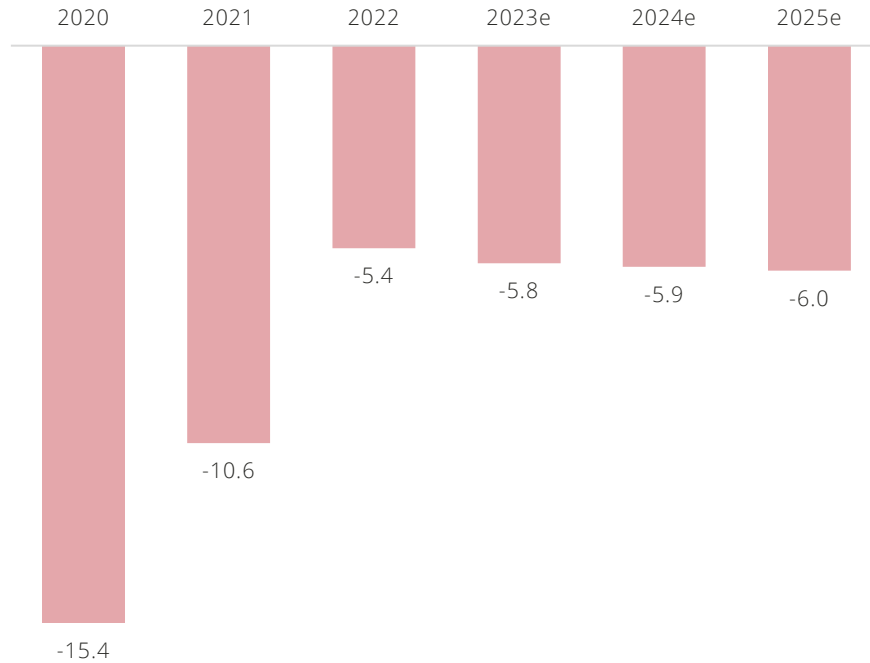
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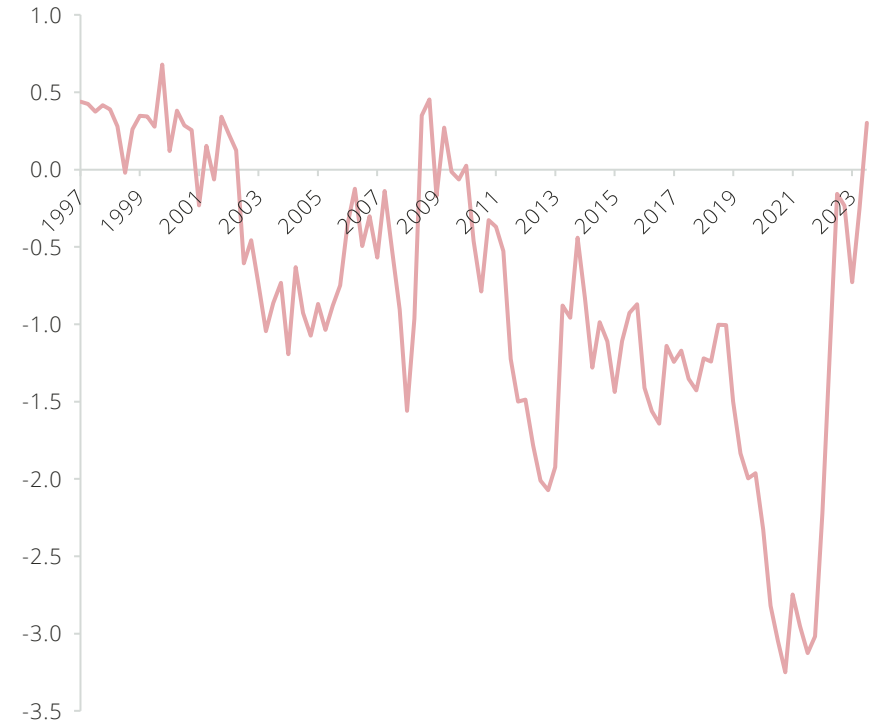
Outlook

# The US government debt position is unsustainable

US Fiscal Balance (% of GDP)



Differential between real interest rate and growth rate,  $r - g$

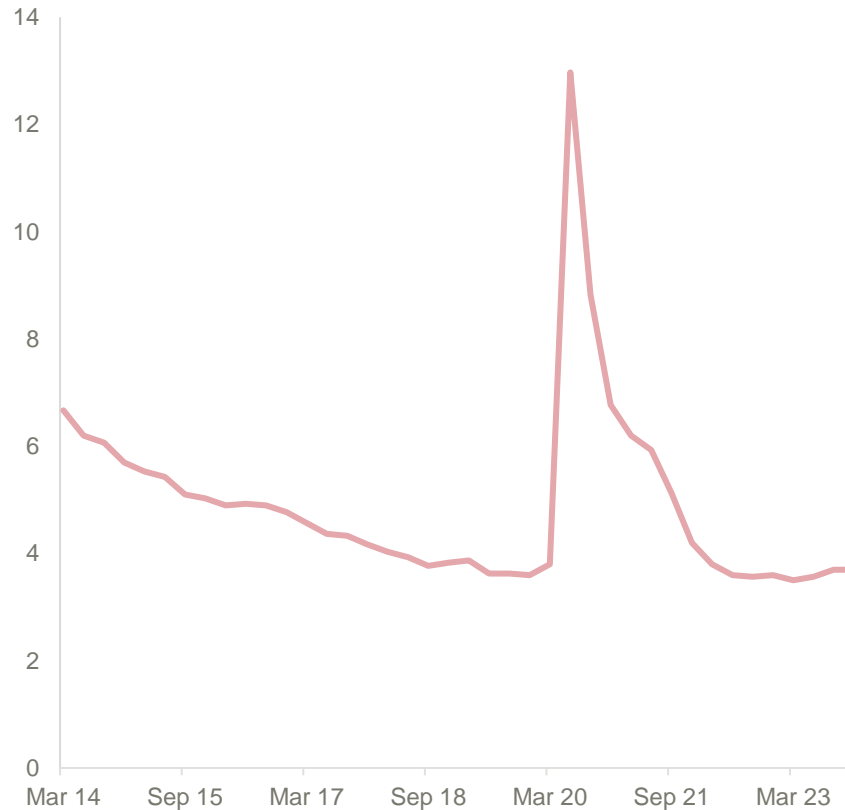


Sources: Bloomberg Finance L.P., Federal Reserve Bank of New York.

## Outlook

# The short-term outlook is favourable...

### US Unemployment Rate (%)



### Atlanta Fed Wage Growth Tracker (%)



Sources: Bloomberg Finance L.P.

*Outlook*

**... but there is still a recession out there, a return of the household saving rate to historical levels would have a material impact on near term growth**

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**United States Personal Savings Rate (% of disposable income)**

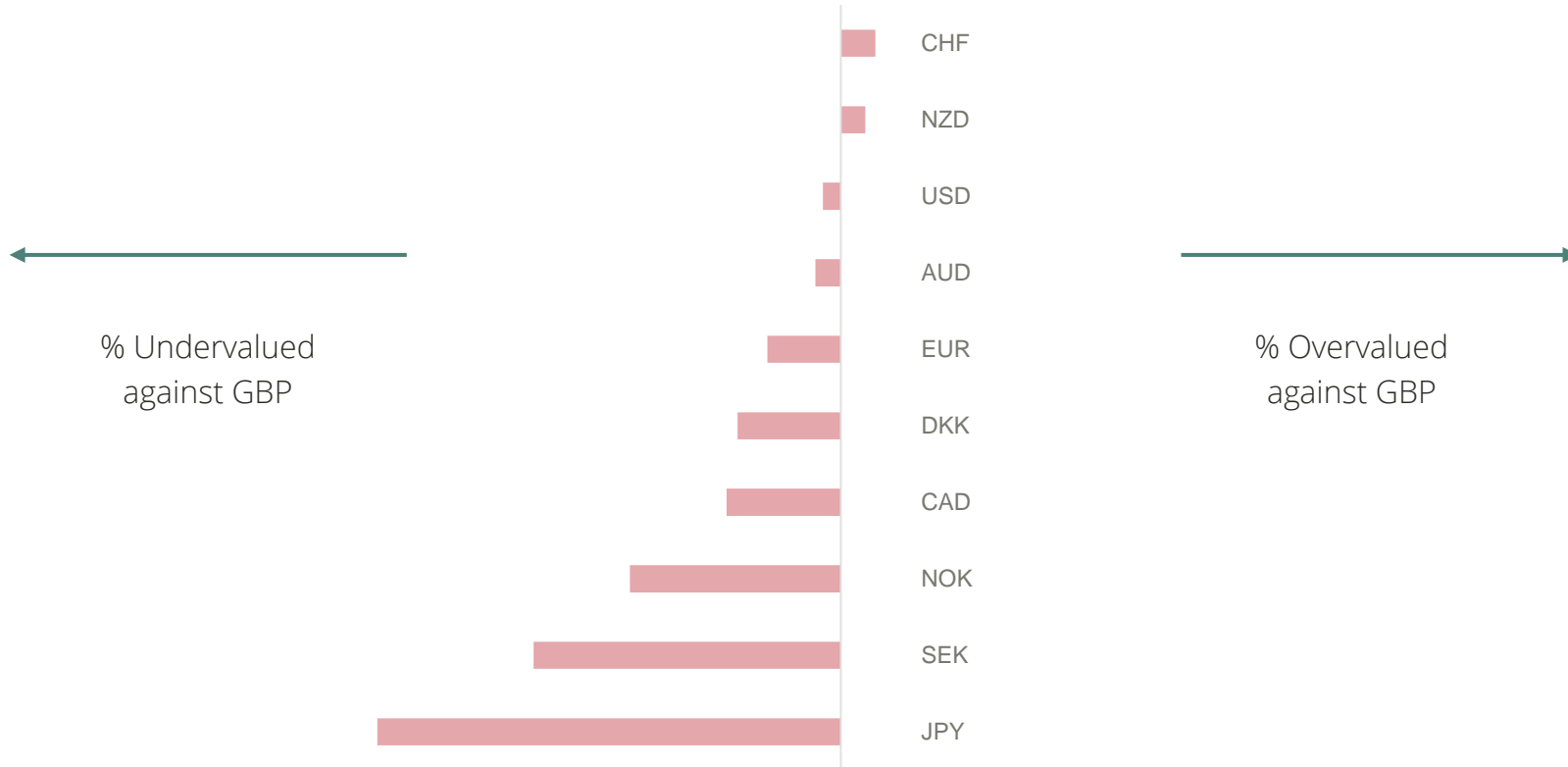


Sources: FRED, Bloomberg Finance L.P.

Outlook

# One way of capturing the value story is currency markets

## GBP Consumer PPP Exchange Rate



Source: Bloomberg

*Outlook*

**Any questions?**

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