CG Asset Management

Index-Linked Bond Funds

March 2026

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CG Asset Management

Overview

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CG Asset Management Overview

2001 *Founded*	Founded in 2001 by Peter Spiller, former Chief Investment Officer and Chief Strategist of Cazenove
£2.2bn *AUM*	£2.2bn in assets under management
2 *Strategies*	Manages two strategies, absolute return and real return, across six funds
10 *Employees*	Team of 10, based in London
297x *Return*	Low-cost offering, with fee reductions regularly reviewed
2 *Down Years*	Capital Gearing Trust ("CGT") has returned 297x since 1982, with only two down years

CGAM in partnership with our clients

What makes us different?	What does that mean for our clients?
The firm's founding principles	1. The client comes first 2. Don't be greedy 3. Have fun In turn these principles mean that: • We have and will close funds to protect investors • We continuously strive to lower fees, even on closed funds
Employee owned	• Majority owned by an Employee Ownership Trust, which means we will remain independent • All portfolio managers are significant shareholders in CGAM
The right incentives	• A significant majority of our own capital is invested in our funds • Our interests are directly aligned with those of our clients

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]	£822m	Listed	0.41%[3]	0.58%
	CG Absolute Return (EUR Hedged, USD Hedged available)	IE00BYQ69B30	2016	£605m	Daily	0.35%	0.49%
	Capital Gearing Portfolio (P,V shares)	IE00BG5Q6F12	2001	£210m	Daily	0.75%	0.89%
Real Return Long only investments in inflation-linked bonds	CG Real Return Fund (GBP Hedged available)	IE0034304117	2004	£184m	Daily	0.30% / 0.20%[4]	0.43%
	CG Dollar Fund (GBP Hedged, EUR Hedged and USD Unhedged available)	IE00B41GP767	2009	£388m	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 28th February 2026

CGAM Team

Investments

Operations and Risk

Investor Relations

Peter Spiller
Co - Chief Investment Officer

Alastair Laing
CEO, Fund Manager

Chris Clothier
Co - Chief Investment Officer

Chris Taylor
Chief Risk and Compliance Officer

Jason Barlow
Head of Investment Operations

Katie Forbes
Head of Investor Relations

Hassan Raza, CFA
Portfolio Manager

Emma Moriarty
Portfolio Manager

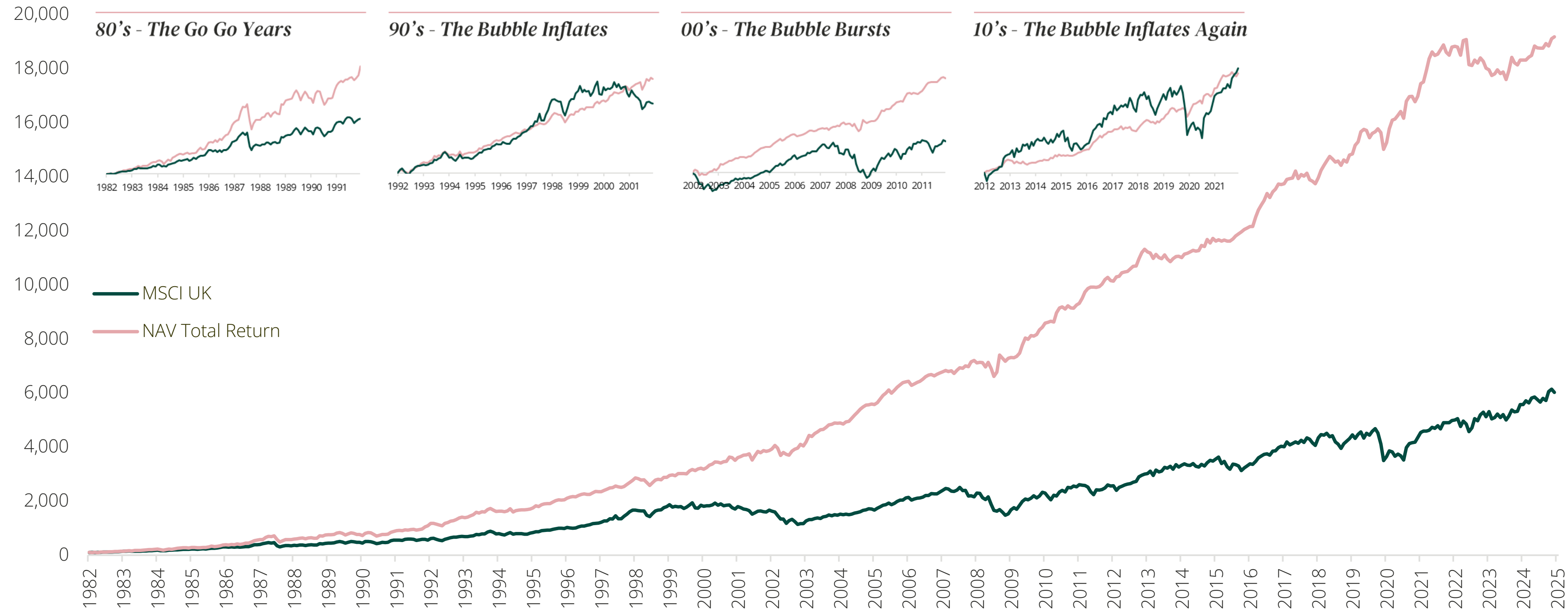
Jock Henderson
Investment Analyst

Prath Ketheeswaran
Operations Manager

Finn
Chief Morale Officer

Since 1982 the CGT share price total return has been >297x[1]

NAV Total Return History (Rebased) Mar 1982 to Mar 2025



CGT TR	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
	45%	49%	29%	35%	47%	3%	30%	2%	19%	18%	30%	18%	5%	20%	13%	17%	4%	10%	11%	10%	3%	22%	15%	15%	5%	7%	0%	18%	8%	10%	11%	(2)%	5%	3%	13%	0%	8%	1%	14%	11%	(4)%	2%	4%	

[1] Share price terms, assumes all dividends reinvested over the period specified
Source: Northern Trust, Morningstar

Why inflation-linked?

The role of inflation-linked bonds in a multi-asset portfolio

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Why inflation-linked?

Inflation-linked bonds are a fundamental component of a diversified portfolio

Inflation as greatest risk to investor wealth

Against which equities are only a partial hedge

Significant risk of inflation persistence

The historical record does not support a swift return to the target

Historic outperformance vs nominal bonds

Such outperformance is likely to persist into the future

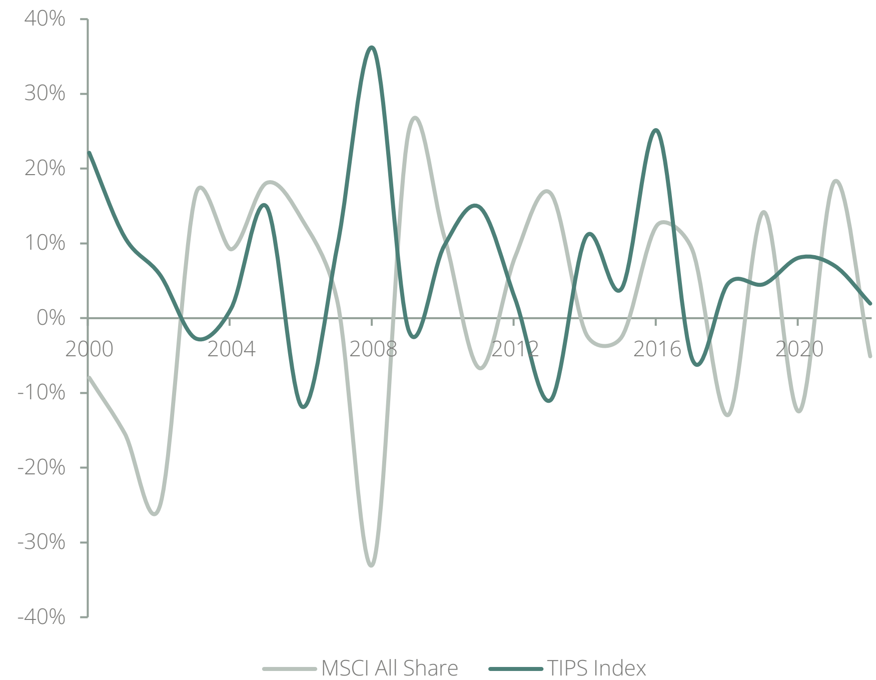
Negative correlation with risk assets

Index linked have historically proven to be a good hedge against a portfolio of risk assets

Protection against financial repression

Only asset that we believe is likely to deliver protection

Annual Returns % of UK Stocks and TIPS – unhedged in GBP (1998 – 2022)



Inflation-linked bonds have outperformed nominal bonds since the turn of the century. Why? Because the market systematically underestimates realised inflation

Index-Linked Bond – Total Returns (US)

Index-Linked Bond – Total Returns (UK)

Source: Bloomberg Finance L.P.
US Nominals refers to the Bloomberg US Treasury Index, TIPS refers to the Bloomberg US Treasury Inflation-Linked Bond Index, UK Gilts refers to the Bloomberg Sterling Gilt Index and UK Linkers refers to the Bloomberg UK Govt Inflation-Linked Index

Inflation-linked bonds perform well in scenarios where equities do not, and are the most reliable portfolio protector against stagflation

High Growth

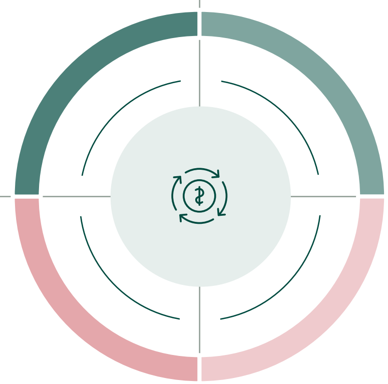
Expansion

- ✓ Equities do best
- ✓ Commodities do well
- × Inflation-linked bonds do poorly
- × Nominal bonds do poorly

Inflationary Boom

- ✓ Equities and commodities do well

Low Inflation



High Inflation

Recession

- ✓ Nominal bonds do best
- ✓ Inflation-linked bonds do well

Stagflation

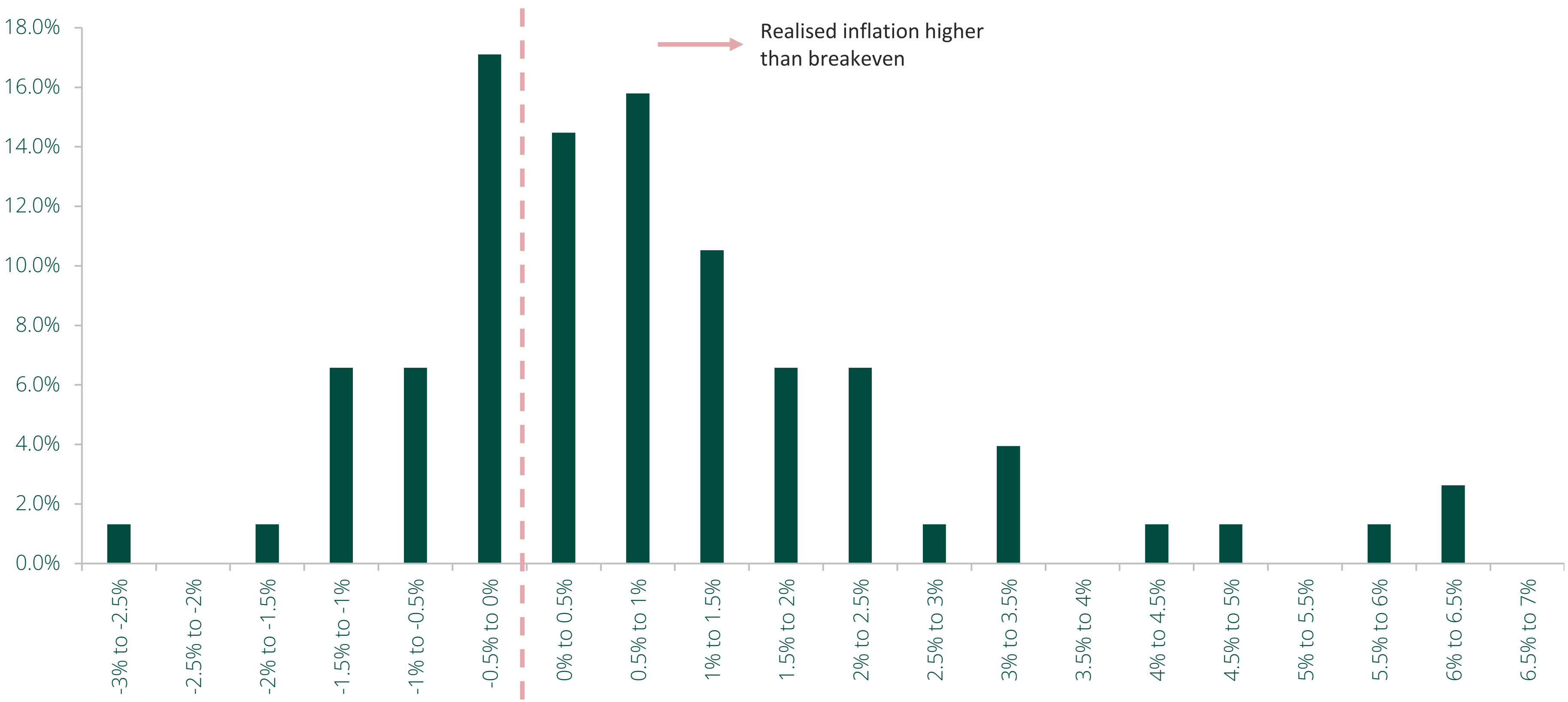
- ✓ Inflation-linked bonds perform well

Low Growth

Why inflation-linked?

As measured by realised inflation vs. breakevens, markets routinely underestimate inflation – by an average of 1% since 2004

Difference between 2Y Breakeven and subsequent realised inflation (% annualised)



Past performance is not indicative of future results

Investment Process

Inflation-Linked Bond Funds

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Our global inflation-linked asset allocation is decided in two stages

Stage 1: Determine the target weighting for each sovereign issuer

1 Real yield outlook

- Monetary and fiscal stance
- Inflation expectations vs. breakevens
- Forward rates

2 Currency outlook

- Interest rate differentials
- Growth and inflation outlook
- PPP metrics

3 Market size and liquidity

- Size of index-linked issuance
- Individual stock turnover
- Bid / offer spreads

Stage 2: For each sovereign allocation, determine appropriate positioning

4 Duration

- Where prospective returns are strong, we will lock these in for a long time

5 Curve positioning

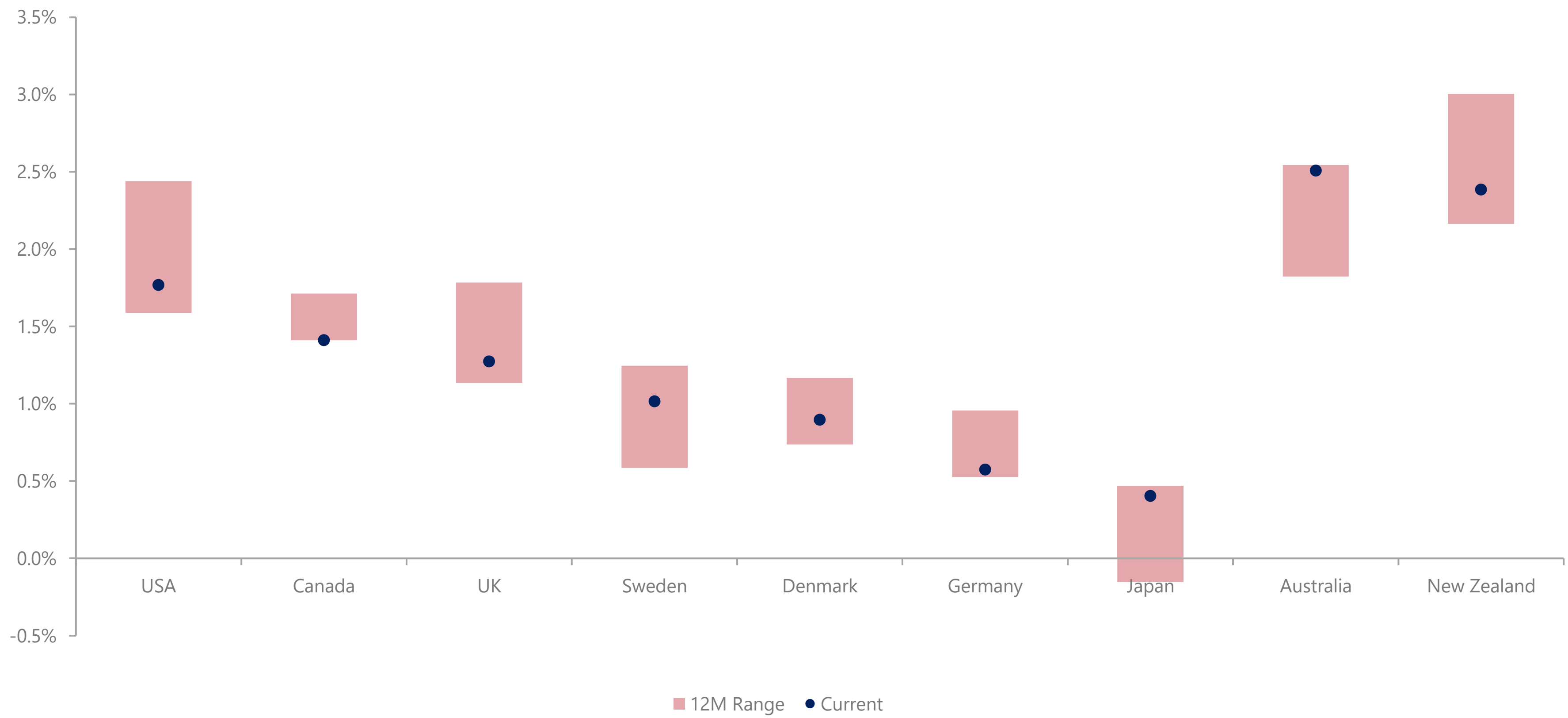
- Shape of yield curve
- Yield curve segmentation
- Scenario analysis

6 Stock selection

- NSS yield curve modelling to identify over/undervalued securities
- Adjustments for convexity and seasonality

Weightings to different index-linked markets are a function of yield available and market size. On these grounds, the US remains the most attractive market

Developed Government Bond 10 Year Real Yields



Source: Bloomberg Finance L.P.

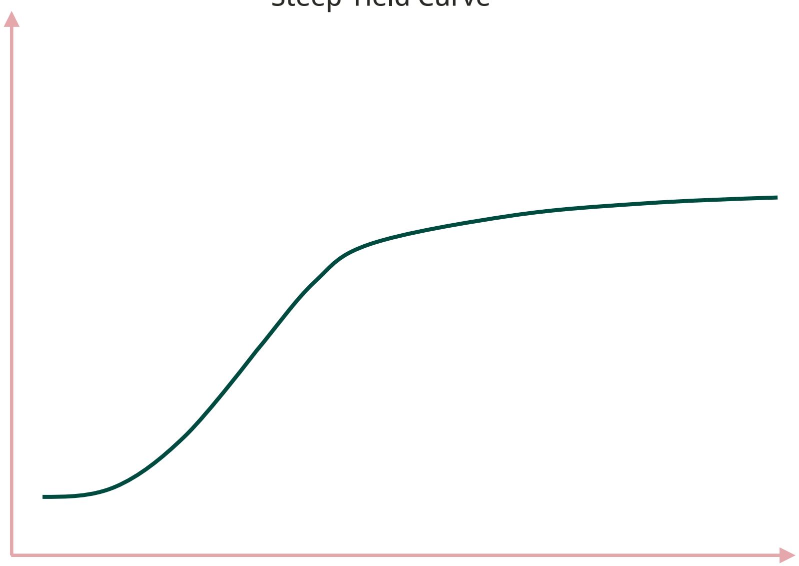
Long-term US real yields remain elevated compared with recent history and could potentially rise further, leading us to adopt a cautious approach to duration

10Y US TIPS Yield history

Source: Bloomberg Finance L.P.

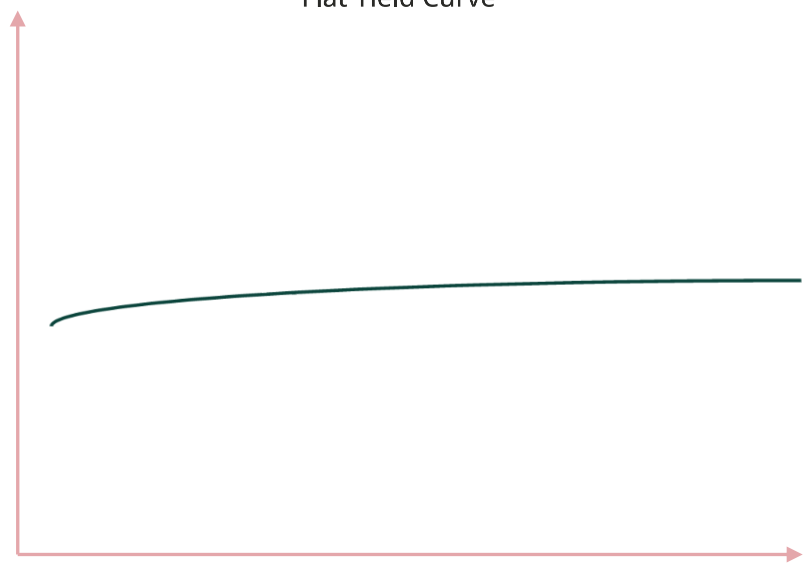
The shape of the yield curve, combined with our expectations, drives our curve positioning.

Steep Yield Curve



- Roll down is a significant contributor to total return;
- Prefer 'belly' of the curve, where gradient is steepest.

Flat Yield Curve



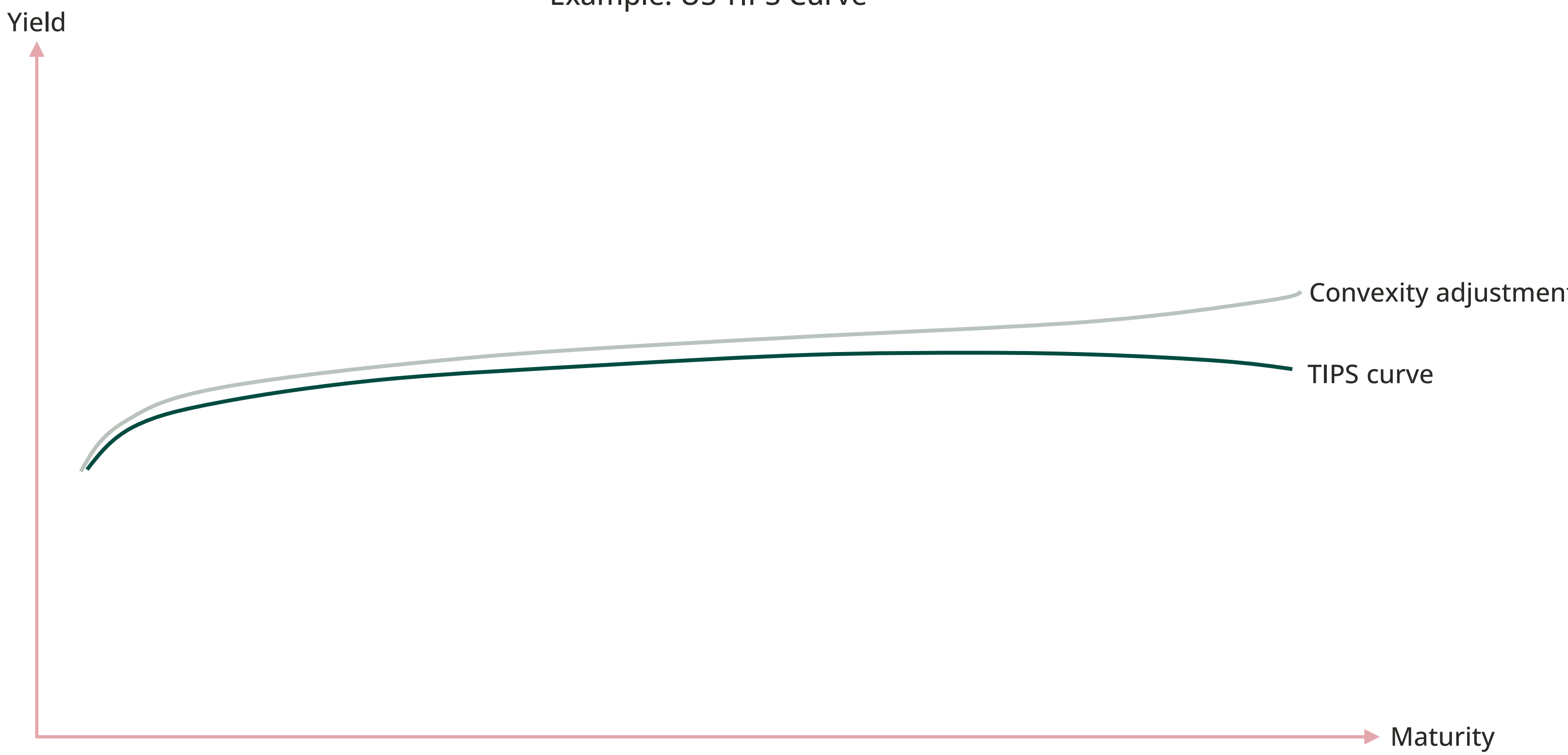
- No roll down, so favour convexity at long end;
- Prefer a barbell strategy, favouring front and long end of curve.

For the largest inflation-linked markets, we use a Nelson Siegel Svensson formula to identify individual under and overpriced bonds

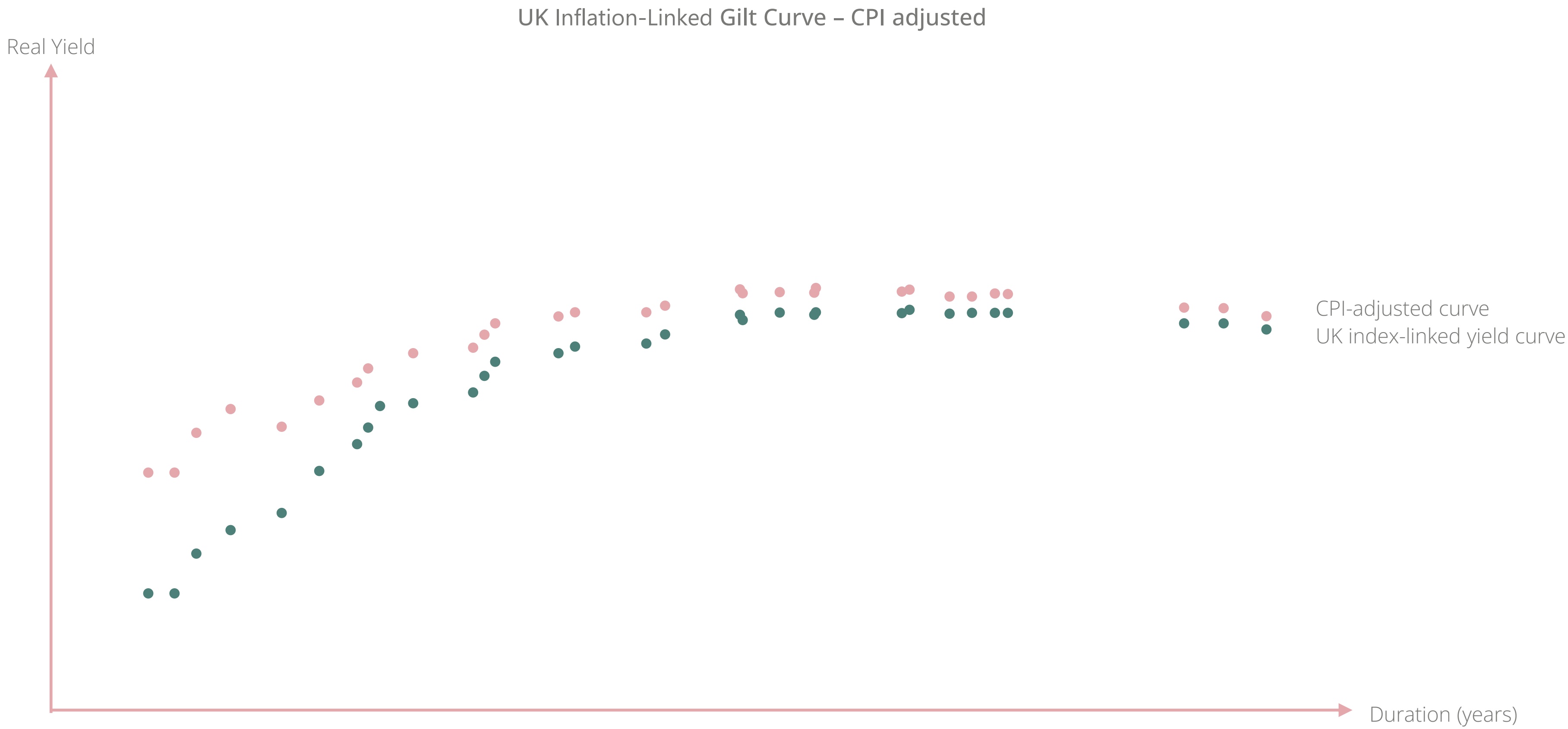
$$y = \beta_0 + \ \beta_1 \frac{\left(1 - e^{\left(-\frac{\mu}{\tau_1}\right)}\right)}{\frac{\mu}{\tau_1}} + \beta_2 \left(\frac{\left(1 - e^{\left(-\frac{\mu}{\tau_1}\right)}\right)}{\frac{\mu}{\tau_1}} - e^{\left(-\frac{\mu}{\tau_1}\right)} \right) + \beta_3 \left(\frac{\left(1 - e^{\left(-\frac{\mu}{\tau_2}\right)}\right)}{\frac{\mu}{\tau_2}} - e^{\left(-\frac{\mu}{\tau_2}\right)} \right)$$

We adjust our expected yields for the impact of convexity at longer durations

Example: US TIPS Curve



We then adjust our expected yields for the RPI / CPI wedge



CG Real Return Fund

Positioning and Returns

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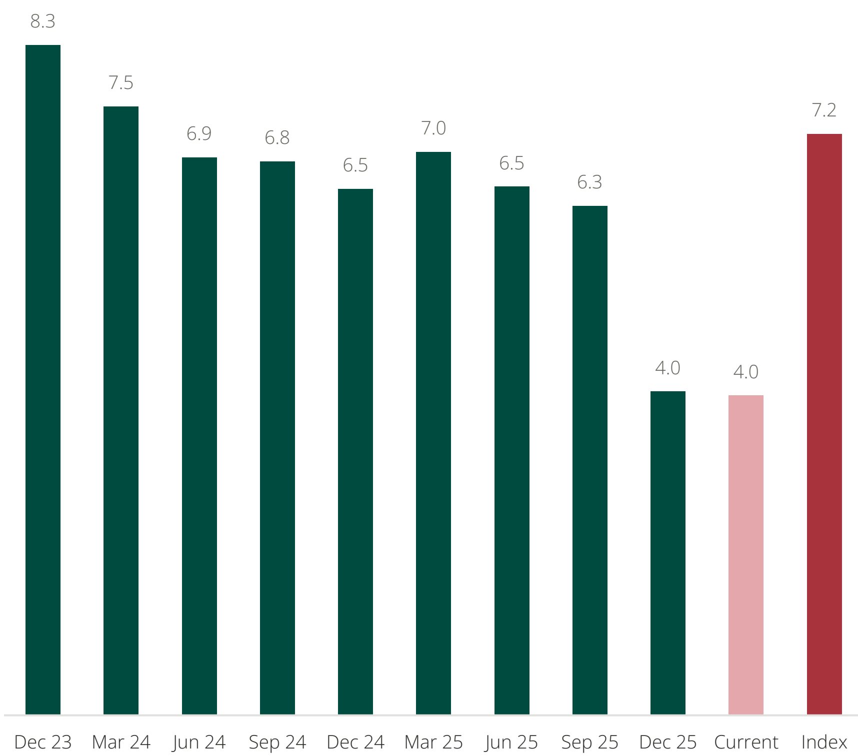
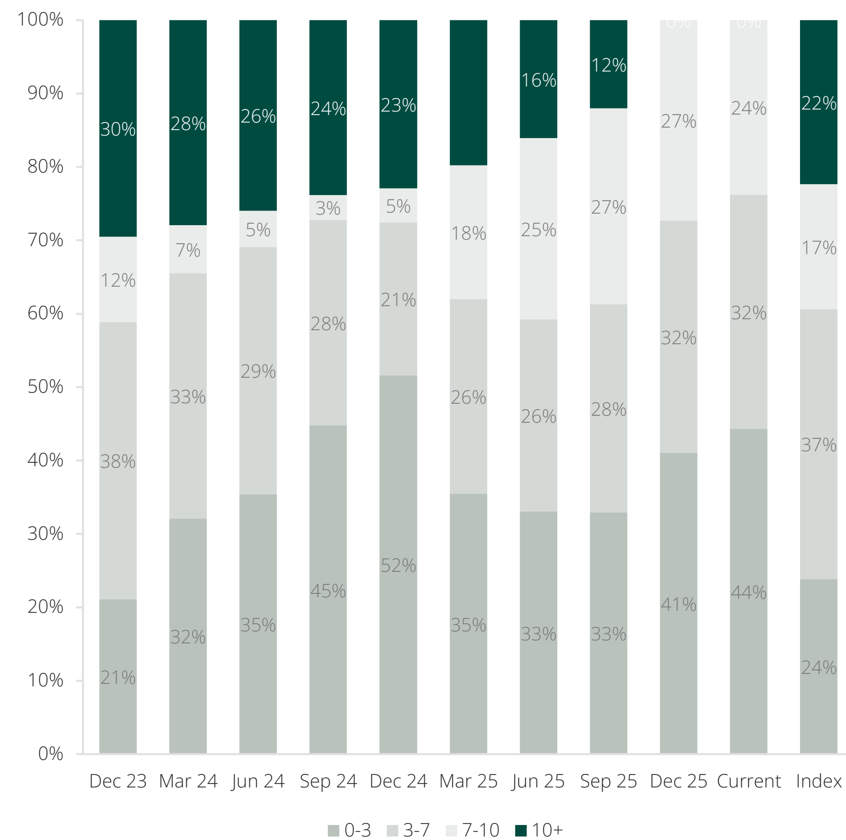
Duration in the CG Real Return fund is now materially shorter than the index

Portfolio Duration (Years)



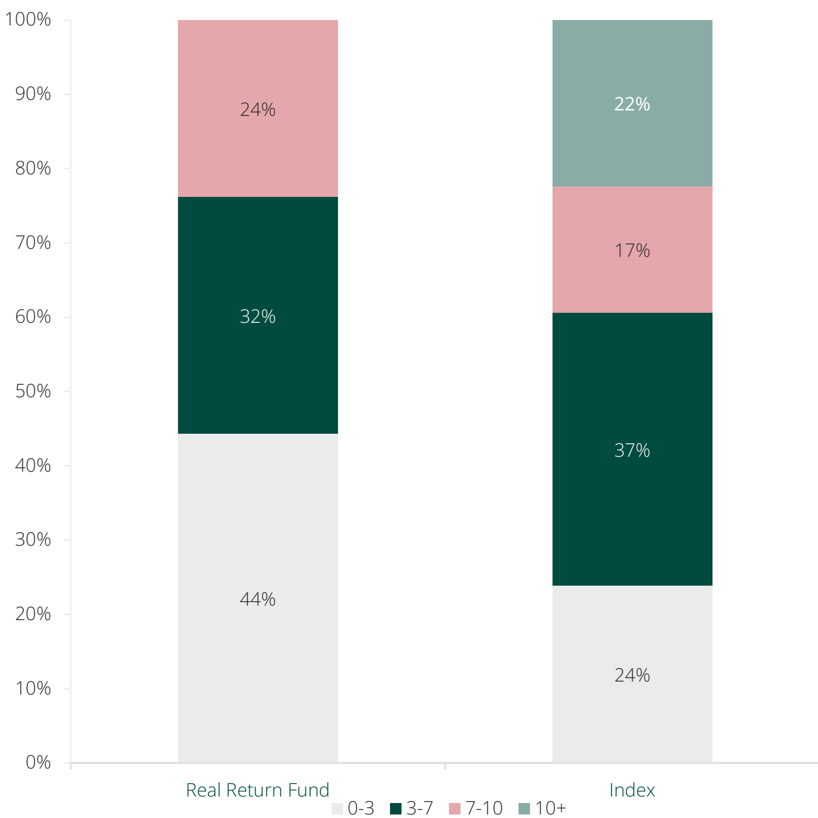
Portfolio Curve Positioning – By Maturity Bucket (Years)



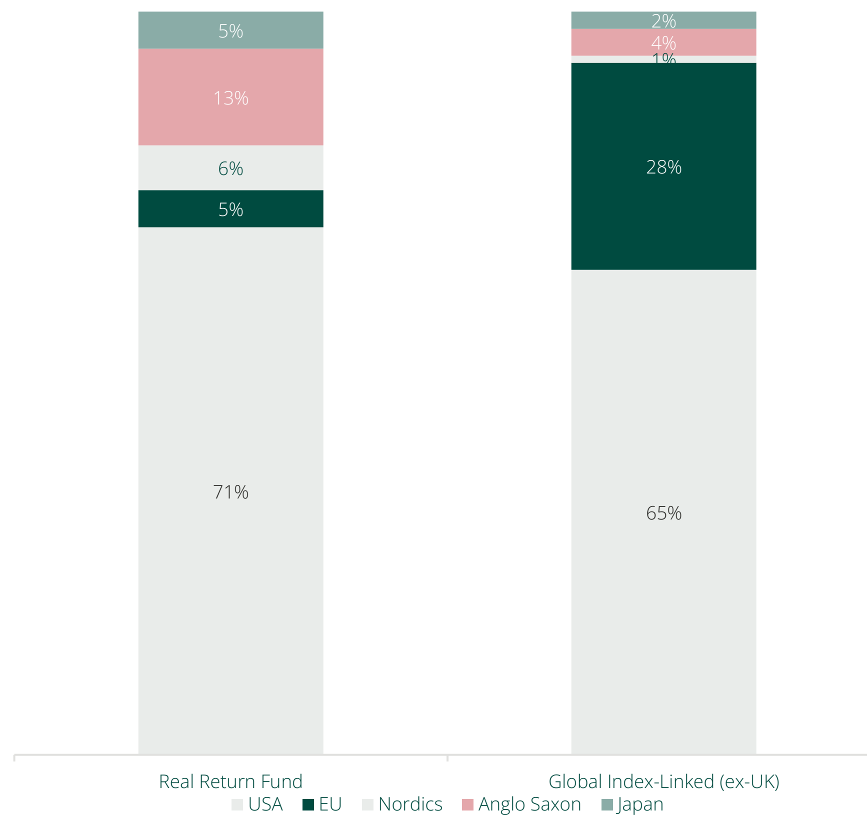
Source: Bloomberg Finance L.P., Northern Trust
Index refers to the Unhedged Bloomberg World ex UK Inflation Linked Bonds Index

CG Real Return Fund has shorter duration than the index and is underweight Europe

Real Return Fund – Curve Positioning vs. Index



Real Return Fund – Geographic Allocation

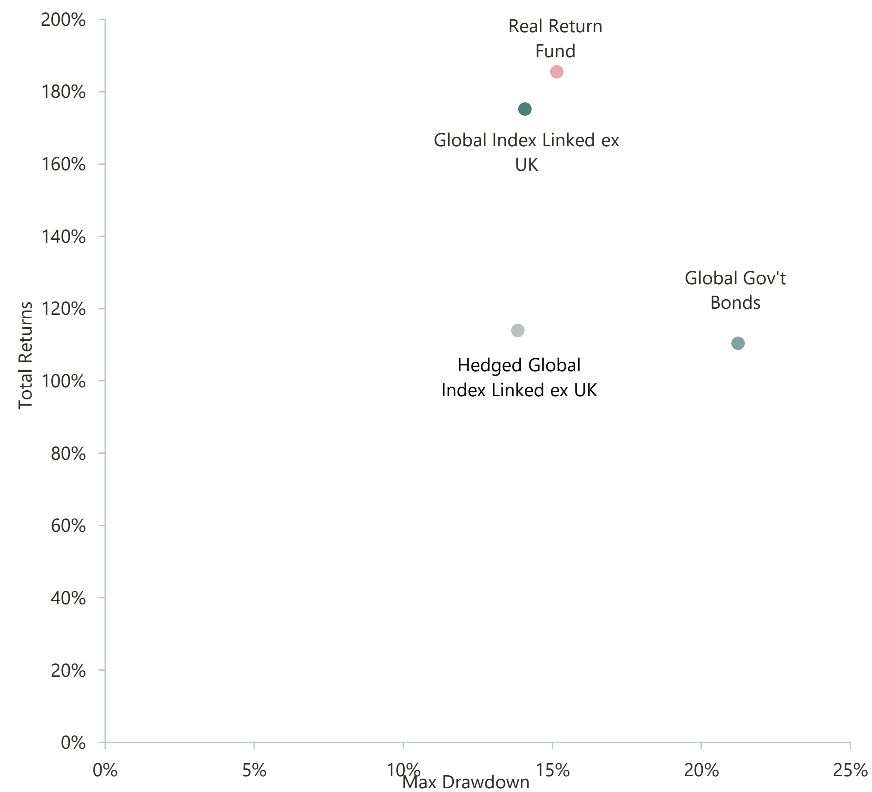


Source: Bloomberg Finance L.P., Northern Trust
Index refers to the Unhedged Bloomberg World ex UK Inflation Linked Bonds Index

CG Real Return Fund has outperformed its benchmark since inception

Fund Performance – Since Inception

Risk and Return – Since Inception

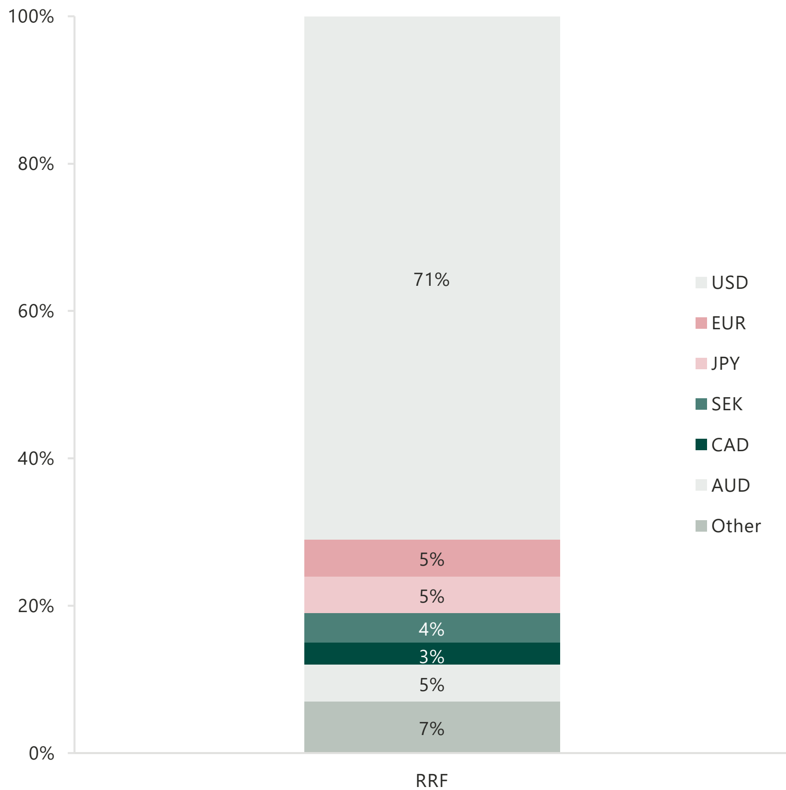


Source: Bloomberg Finance L.P., Northern Trust | Drawdown calculation based on month-end NAVs
Global Gov't Bond refers to the Bloomberg Global Treasury Index, Global Index Linked ex UK refers to the Unhedged Bloomberg World ex UK Inflation Linked Bond Index and the Hedged Global Index Linked ex UK refers to the Sterling Hedged Bloomberg World ex UK Inflation Linked Bonds Index

CG Real Return Fund

Portfolio yield, duration and currency exposure are actively managed

Currency Exposure



Duration, Yield[1] and Performance[2]

	Weight	Duration (Yrs)	Real Yield (%)	Rating	3m Performance	LTM Performance
United States	71%	4.5	1.1%	AA	-1.6%	-2.5%
Germany	5%	0.1	1.8%[4]	AAA	0.7%	8.7%
Japan	5%	0.8	0.0%	A	-1.9%	-9.8%
Australia	5%	6.8	2.1%	AAA	7.0%	10.5%
Sweden	4%	1.1	1.7%	AAA	3.1%	1.4%
New Zealand	4%	5.8	1.8%	AAA	4.4%	7.4%
Canada	3%	0.7	0.2%	AAA	1.1%	2.1%
Denmark	2%	4.7	0.7%	AAA	0.5%	7.5%
Cash	1%	N/A	N/A	N/A	N/A	N/A
Total	100%[3]	4.0	1.3%	AA	-0.5%	-1.4%

1. *Source: Bloomberg Finance LP, Northern Trust. Duration refers to Option Adjusted Duration, Real Yield refers to the Real Yield to Maturity. Rating refers to the sovereign credit rating.*
2. *Performance is the total return figure (net of fees)*
3. *All weightings rounded to the nearest whole number.*
4. *Showing the yield to maturity figure now the bond has become nominal (i.e. the bond now accrues no more inflation indexation)*

Breakdown of holdings

Largest Bond Holdings

US I/L 1.25% 15/04/28	8.5%
US I/L 0.875% 15/01/29	6.4%
US I/L 3.875% 15/04/29	6.0%
US I/L 0.125% 15/01/30	5.7%
US I/L 1.375% 15/07/33	5.6%

Credit ratings

AAA	23%
AA	72%
A	5%
BBB	0%
BB and below	0%

Characteristics

Number of bonds	38
Yield to maturity (real)	1.4%
Average maturity	4.2 Yrs
Average coupon (real)	1.4%
Composite rating	AA

Source: Bloomberg Finance LP, Northern Trust.

CG Dollar Fund

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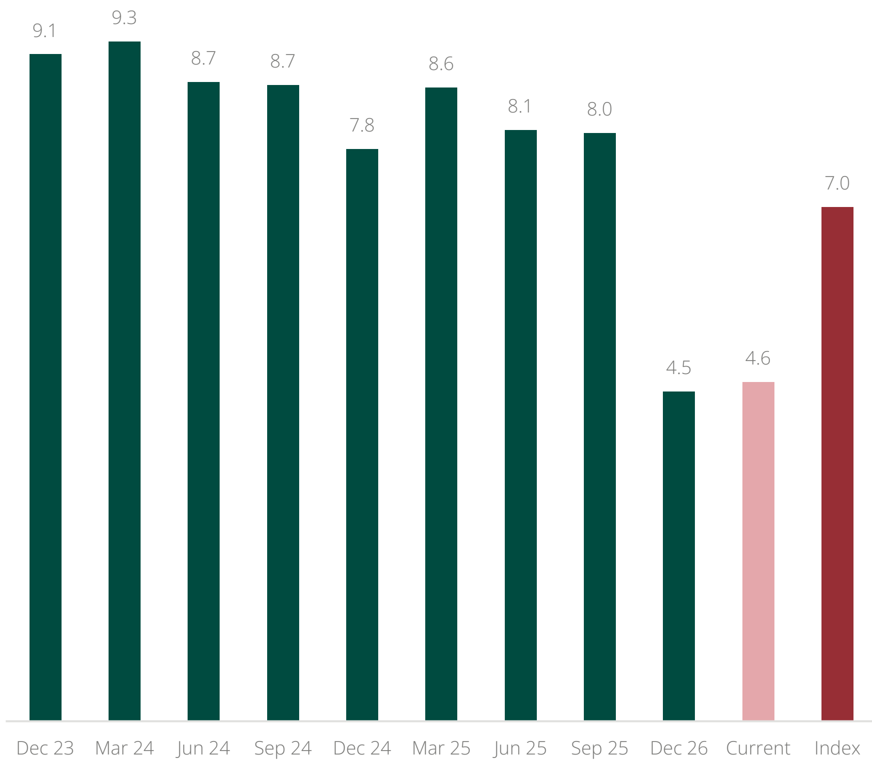
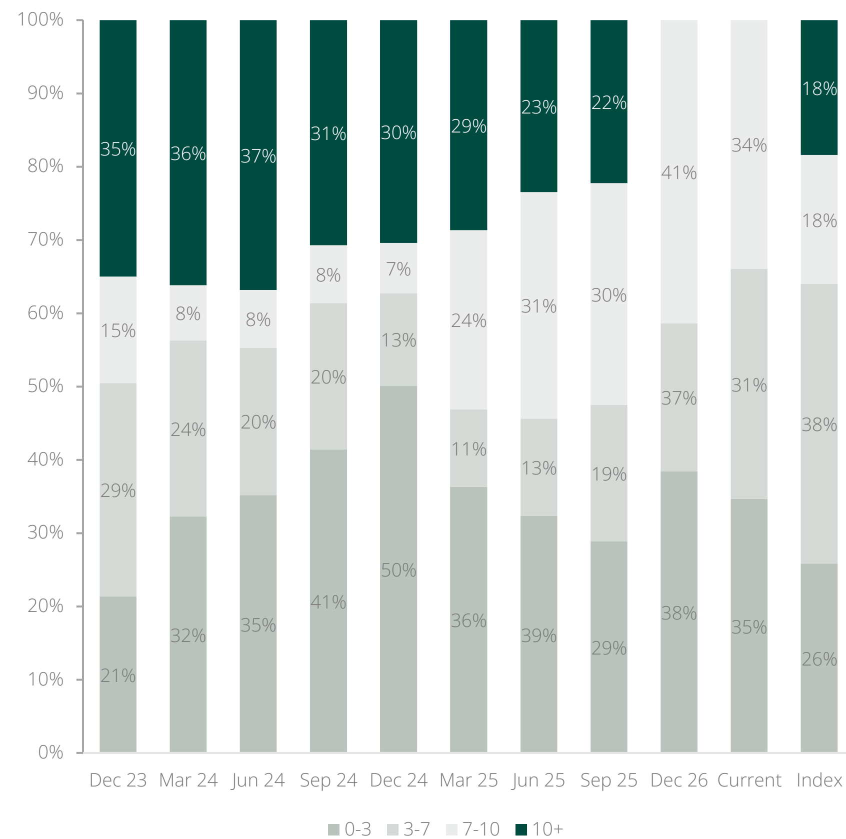
Duration in the CG Dollar fund is materially shorter than the index

Portfolio Duration (Years)



Portfolio Curve Positioning – By Maturity Bucket (Years)



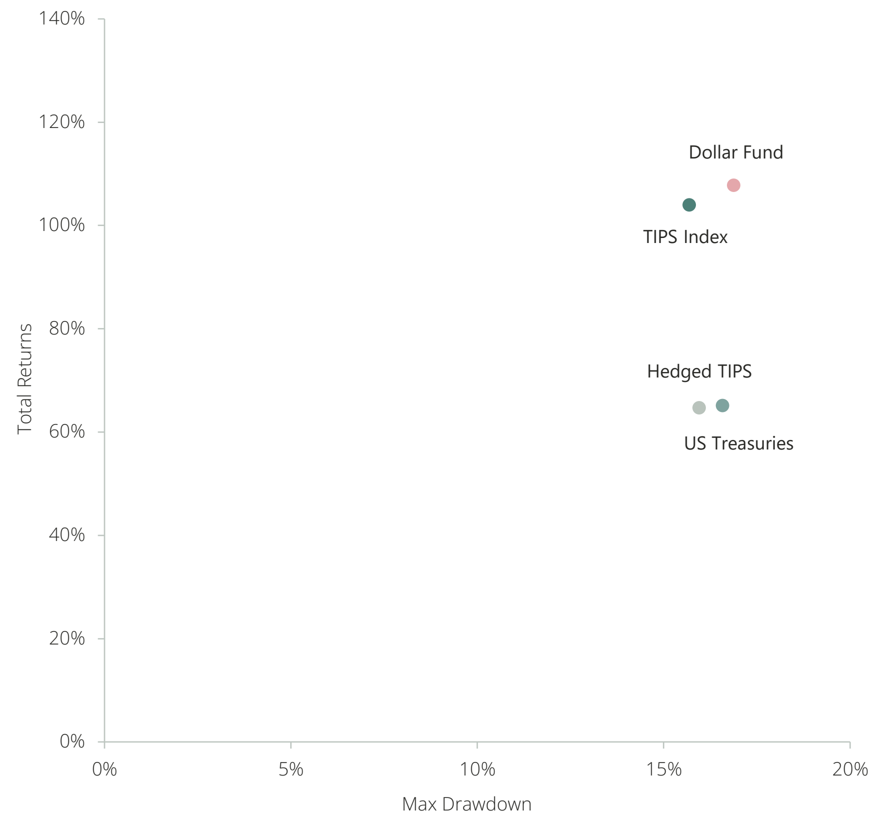
Source: Bloomberg Finance L.P., Northern Trust
Index refers to the Unhedged Bloomberg US Inflation Linked Bonds Index

Past performance is not indicative of future results

CG Dollar Fund has outperformed its benchmark over its >10-year life

Fund Performance – Since Inception

Risk and Return – Since Inception



Source: Bloomberg Finance L.P., Northern Trust | Drawdown calculation based on month-end NAVs
TIPS refers to the Unhedged Bloomberg US Inflation Linked Bonds Index, US Treasuries refer to the Bloomberg US Treasury Index and Hedged TIPS refers to the Sterling Hedged Bloomberg US Inflation Linked Bonds Index

Breakdown of holdings

Largest Bond Holdings

US I/L 1.375% 15/07/33	14.8%
US I/L 1.125% 15/01/33	7.2%
US I/L 1.75% 15/01/34	7.1%
US I/L 0.125% 15/10/26	6.2%
US I/L 2.125% 15/01/35	6.1%

Credit ratings

AAA	0%
AA	100%
A	0%
BBB	0%
BB and below	0%

Characteristics

Number of bonds	25
Yield to maturity (real)	1.1%
Average maturity	4.9 Yrs
Average coupon (real)	1.4%
Composite rating	AA

Source: Bloomberg Finance LP, Northern Trust.

CG UK Index-Linked Bond Fund

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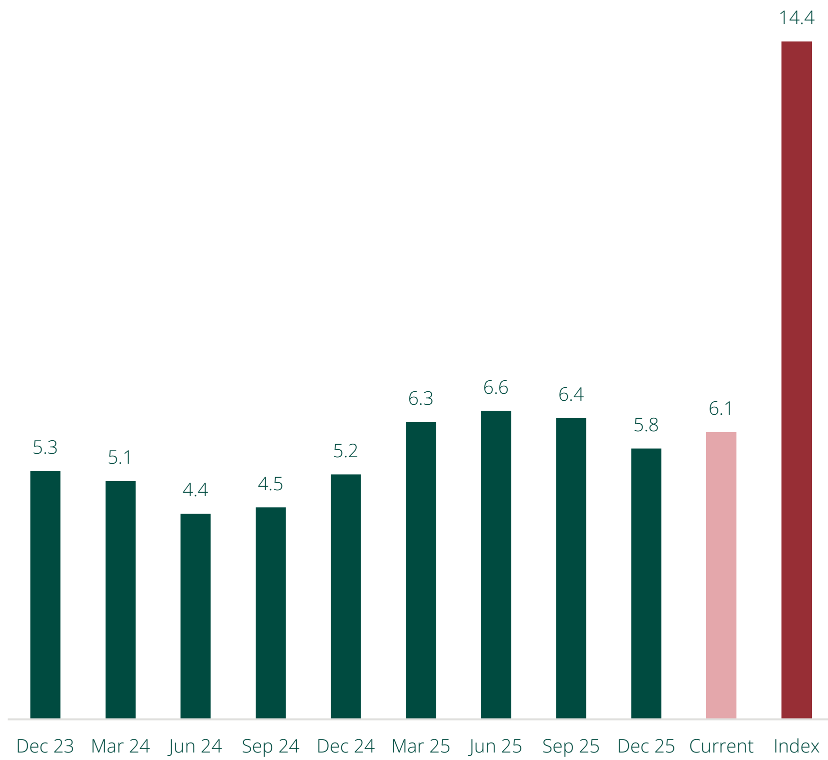
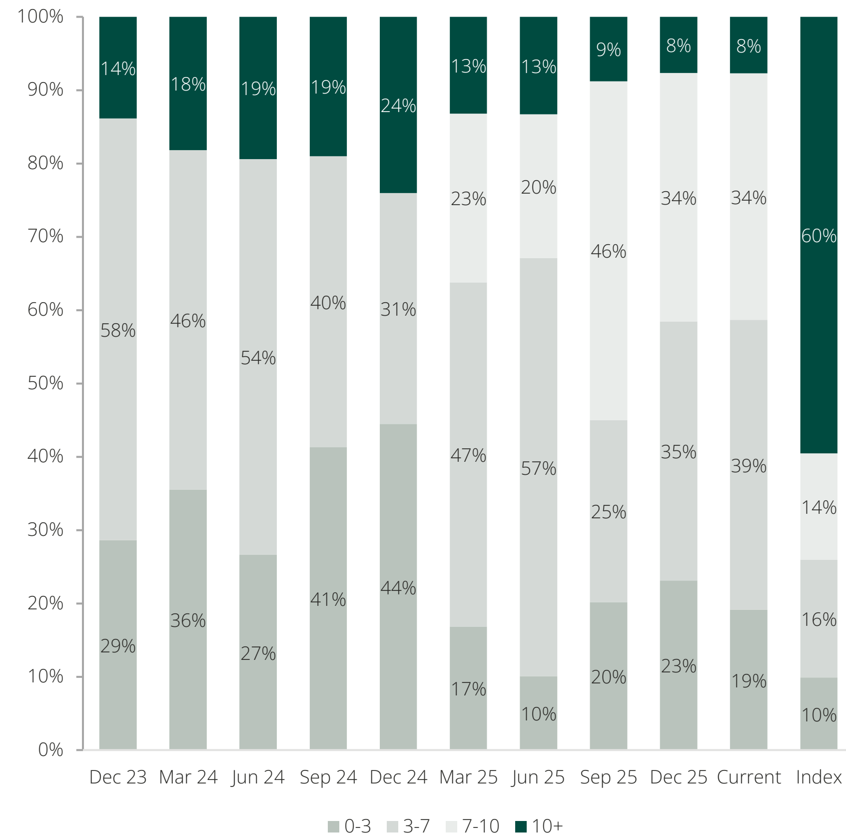
The CG UK Index-Linked Bond Fund has duration shorter than the index and its holdings are weighted to the front end of the UK inflation-linked curve

Portfolio Duration (Years)



Portfolio Curve Positioning – By Maturity Bucket (Years)

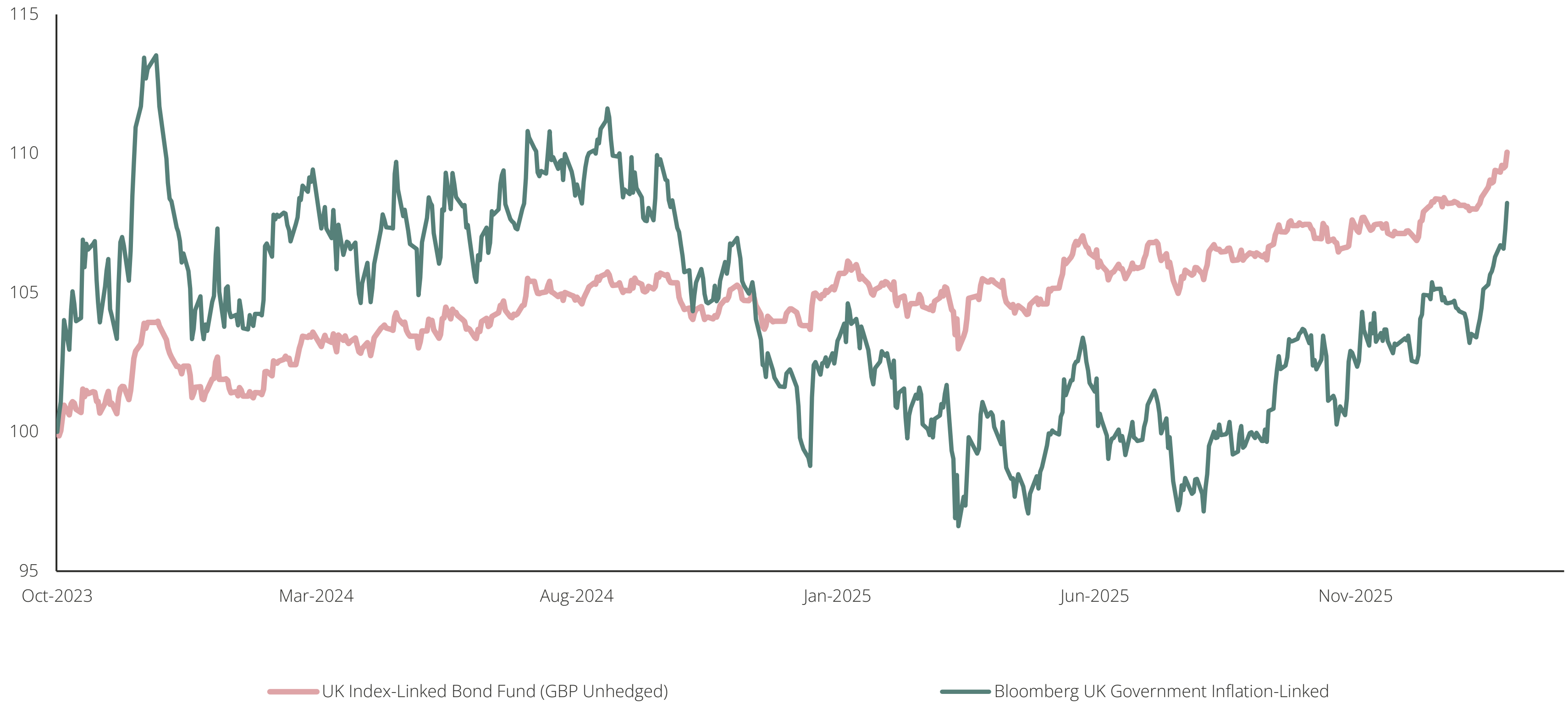


Source: Bloomberg Finance L.P., Northern Trust
Index refers to the Unhedged Bloomberg UK Inflation Linked Bonds Index

Past performance is not indicative of future results

The CG UK Index Linked Bond Fund has outperformed its benchmark since inception

Performance since inception



Source: Bloomberg LP, Northern Trust.

Breakdown of holdings

Largest Bond Holdings

UKTI 0.75% 22/11/33	20.6%
UKTI 0.125% 10/08/31	18.9%
UKTI 4.125% 22/07/30	13.3%
UKTI 1.25% 22/11/27	12.8%
UKTI 2.00% 26/01/35	7.3%

Credit ratings

AAA	0%
AA	100%
A	0%
BBB	0%
BB and below	0%

Characteristics

Number of bonds	14
Yield to maturity (real)	0.8%
Average maturity	6.3 Yrs
Average coupon (real)	0.8%
Composite rating	AA

Source: CGAM, Northern Trust

CG Asset Management

Investment Considerations for Direct Government Securities

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The principles underpinning our investment approach

Be honest

No greenwashing, no PR-led initiatives, no jargon. We believe in an accurate presentation of our activities not a marketing campaign.

One firm, one rule

Our standards apply to all the funds we advise. We do not have ethical and by implication unethical funds.

Ethics, not mathematics

There is no formula that can be applied in a uniform way to every situation. We emphasise judgement over simplistic third party ESG scoring systems.

Don't disinvest, engage

When investors have the influence to effect change, it is most valuable to encourage positive transition rather than engage in blanket disinvestment.

Targeted

As a small firm, we must focus our efforts where they will have the most influence, rather than taking a generalist approach.

Governance

Investors have multiple direct mechanisms to influence governance, so we primarily focus on governance even when the ultimate objective consists of other priorities.

Integration, not separation

The entire team is collectively responsible for stewardship activities, with the ultimate responsibility lying with the chief executive. We do not have a standalone responsible investment team.

Act, with humility

Every action results in both intended and unintended consequences. Reflect deeply on the risk that good intentions can lead to unintended negative outcomes.

Considerations in the investment process

Direct Government Securities

A majority of the assets held by the funds are invested in direct holdings of securities issues by governments including bonds, bills and cash.

When investing, we consider indices compiled by a range of NGOs and require sovereigns, at a minimum, to achieve strong rankings in at least four out of five of these criteria. In addition to using third party indices, we also overlay our own subjective assessments which typically leads to material additional exclusions.

As we manage funds that invest exclusively in US and UK bonds respectively these jurisdictions will always be included but other sovereigns are subject to these exclusion criteria.

ESG Criteria Applied

Index	Criteria
World Bank governance effectiveness index	Top quartile
World press freedom index	Good or satisfactory
Global freedom score	Free rating
UN human development index	Very high human development rank
Net zero by 2050 statement	Statement of intent by 2050 or earlier

Resultant Investable Universe

United Kingdom	**Japan**
United States	**Canada**
Germany	**Australia**
Sweden	**New Zealand**
Denmark	

Past performance is not indicative of future results.

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