

A black and white photograph of two mountain goats with large, curved horns standing on a dark, layered rock face. The goats are positioned in the upper right quadrant of the image. The background is a dark, textured rock wall with horizontal layers.

CG Asset Management

CG UK Index-Linked Bond Fund

June 2026

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CG UK Index-Linked Bond Fund

Overview

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CG UK Index-Linked Bond Fund Overview

Investment Objective



- To achieve **long-term capital appreciation and income growth** via long-only investment in UK government index-linked bonds
- Simple low-cost approach, no gearing, no short selling
- The fund is actively managed, without reference to a benchmark

Fees and Structure



- Size: **£30m** (launched in October 2023)
- Management Fee: **0.15%** | Total Expense Ratio: 0.27%
- Daily priced Irish UCITS

Investor Profile



The fund has a broad range of investors who typically exhibit the following characteristics:

- A long-term investment horizon
- An aversion to significant short-term losses
- A desire to generate returns that outpace inflation over the long term
- A focus on GBP-denominated returns

Overview

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

299x

Return

Low-cost offering, with fee reductions regularly reviewed

2

Down Years

Capital Gearing Trust ("CGT") has returned 299x 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

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 | £817m | Listed | 0.41% ³ | 0.58% |
| | CG Absolute Return (EUR Hedged, USD Hedged available) | IE00BYQ69B30 | 2016 | £590m | Daily | 0.35% | 0.50% |
| | Capital Gearing Portfolio (P,V shares) | IE00BG5Q6F12 | 2001 | £208m | Daily | 0.75% | 0.90% |
| Real Return Long only investments in inflation-linked bonds | CG Real Return Fund (GBP Hedged available) | IE0034304117 | 2004 | £180m | Daily | 0.30% / 0.20% ⁴ | 0.45% |
| | CG Dollar Fund (GBP Hedged, EUR Hedged and USD Unhedged available) | IE00B41GP767 | 2009 | £376m | Daily | 0.25% / 0.15% ⁵ | 0.40% |
| | CG UK Index-Linked Bond Fund | IE000ZSVG218 | 2023 | £30m | Daily | 0.15% | 0.27% |

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 May 2026

Overview

CGAM Team

Investments



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

Operations and Risk

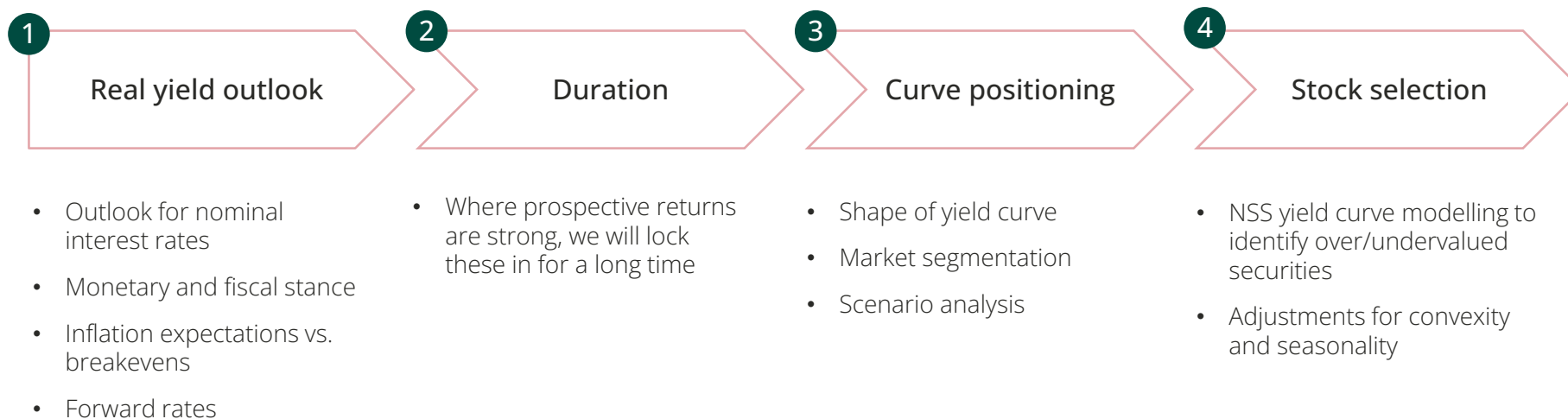
Investor Relations

Investment Process

CG UK Index-Linked Bond Fund

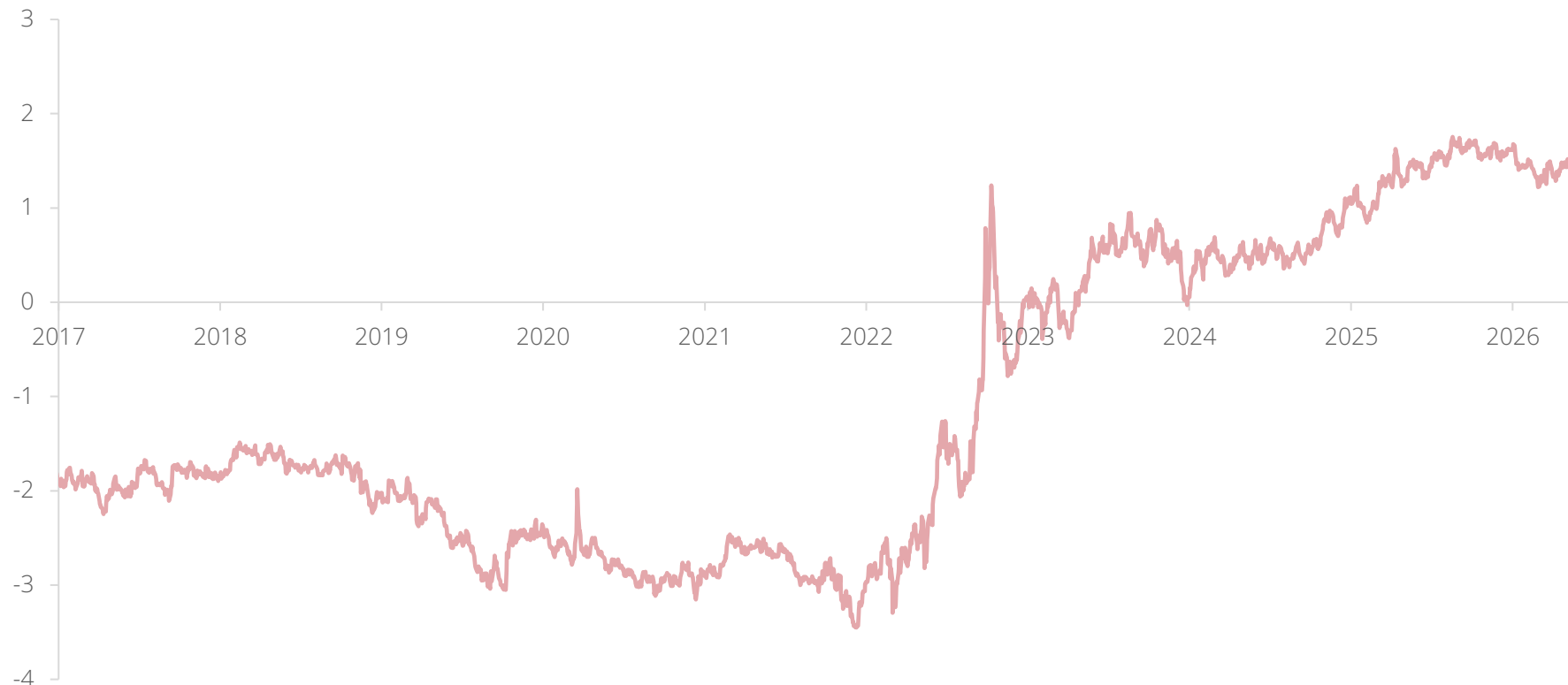
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The CG UK Index-Linked Bond Fund's positioning is decided via a top-down process



Inflation-linked gilts have gone from being uninvestable to good value

UK 10 Year Real Yield (%)

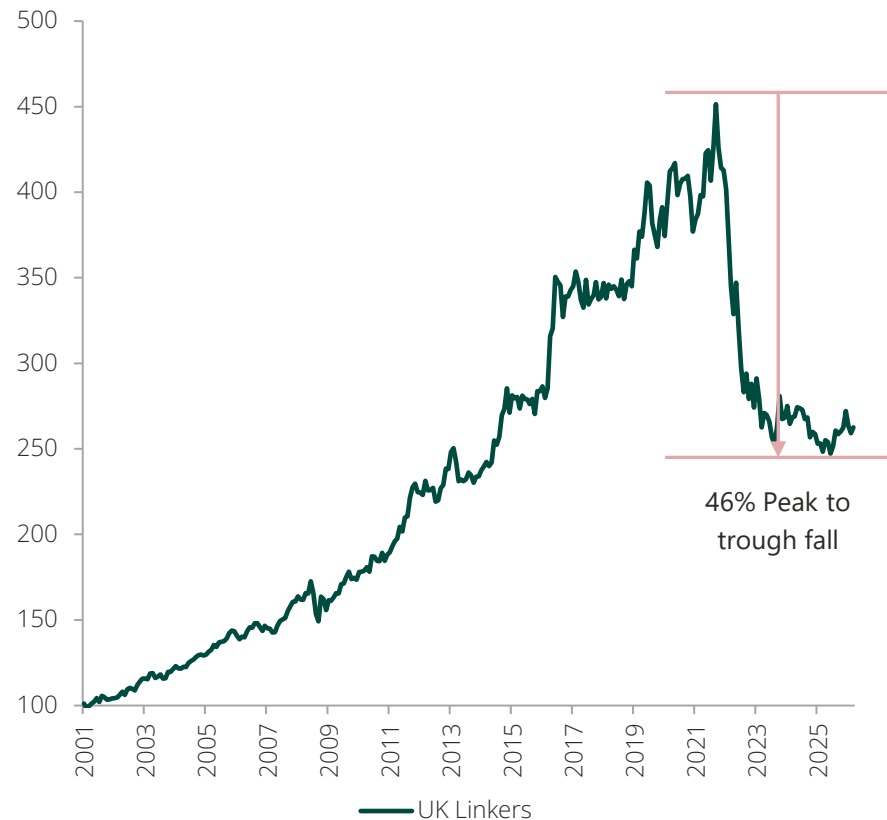


Source: Bloomberg Finance L.P.

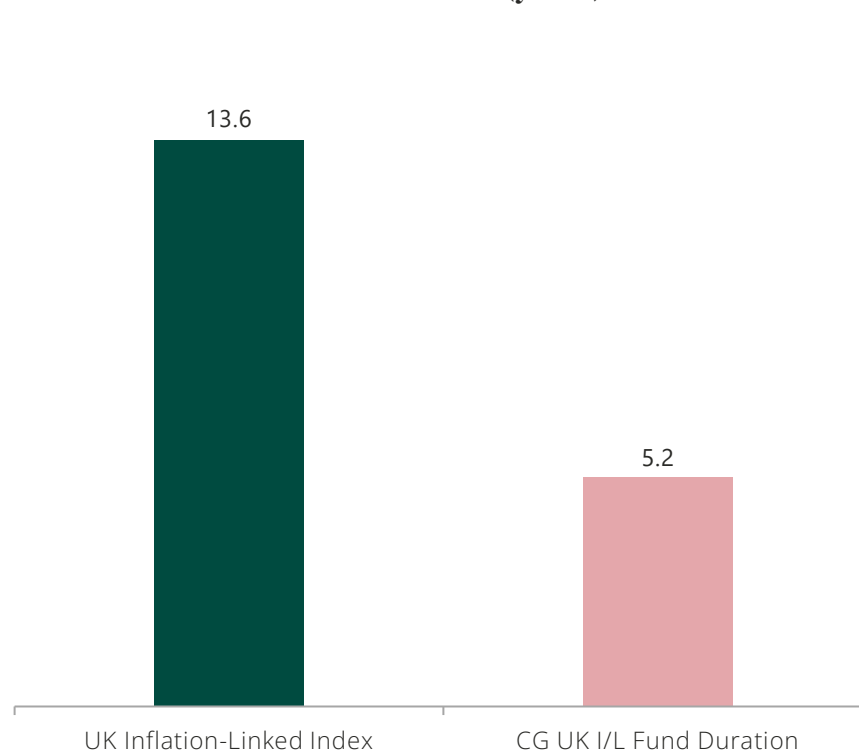
Investment Process

The long duration of the index has created large drawdowns which are inappropriate for private investors. The CG fund is a much shorter duration alternative

UK Inflation-Linked total return index¹⁾



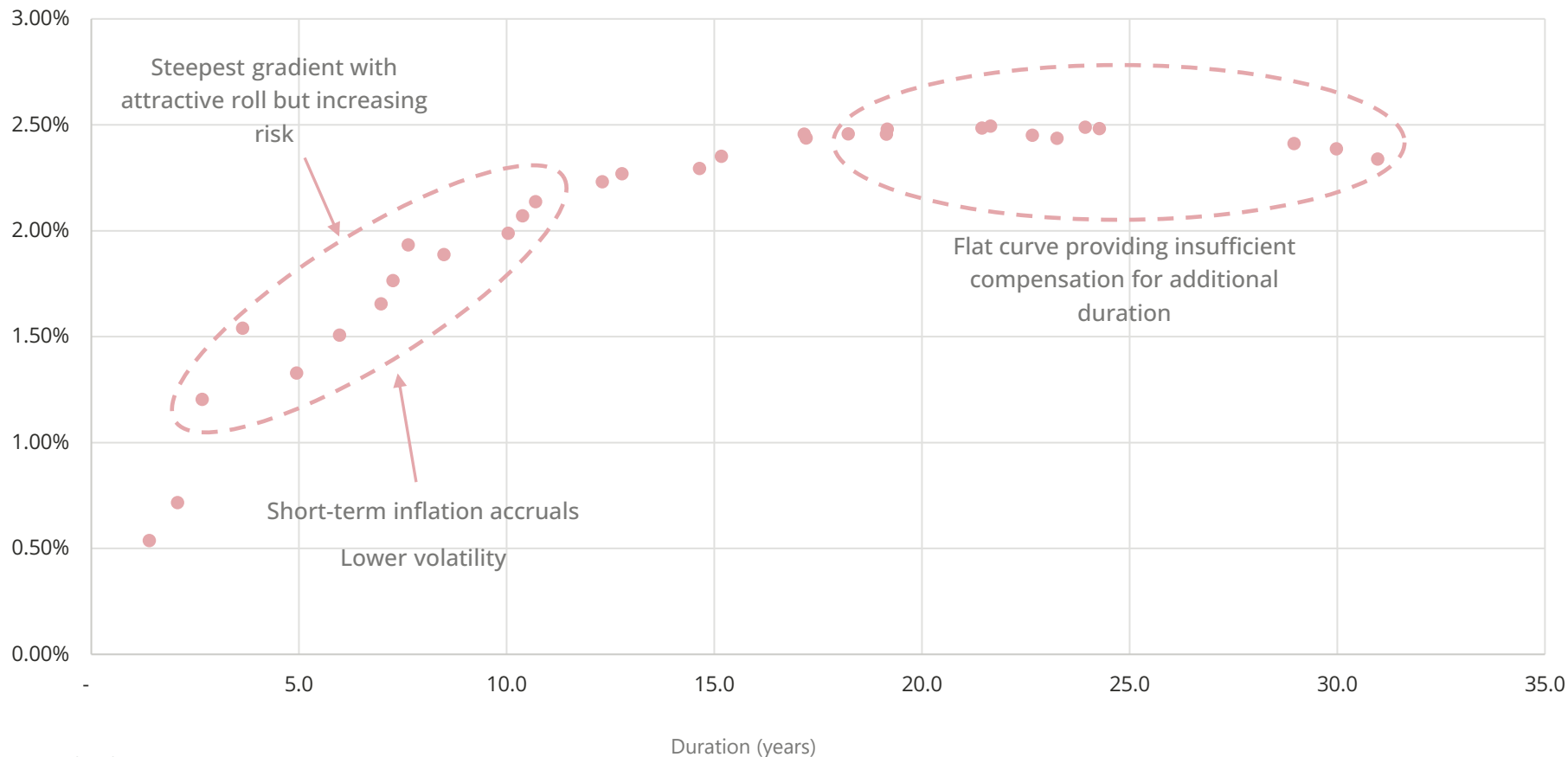
UK Inflation-Linked Index duration (years)



1. UK Index-Linked Index refers to Bloomberg UK Govt Inflation-Linked All Maturities Total Return Index
Source: Bloomberg Finance L.P.

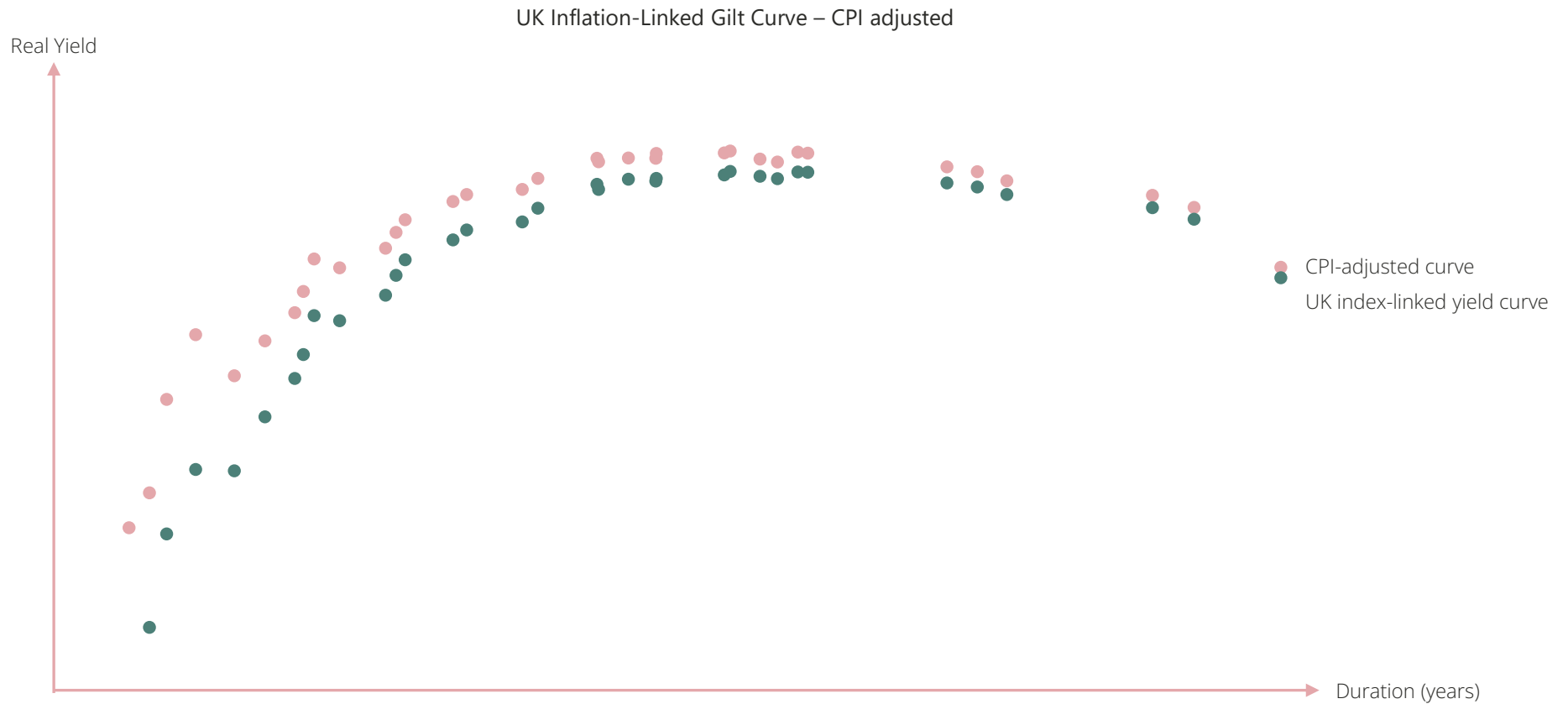
Our curve positioning, emphasising the belly, reflects steepness of the yield curve and concerns over a bear steepening at long end arising from fiscal pressures

CPI-adjusted UK index-linked yield curve



Source: Bloomberg Finance L.P.

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



We use a Nelson Siegel Svensson formula to identify individual under and overpriced bonds

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

CG UK Index-Linked Bond Fund

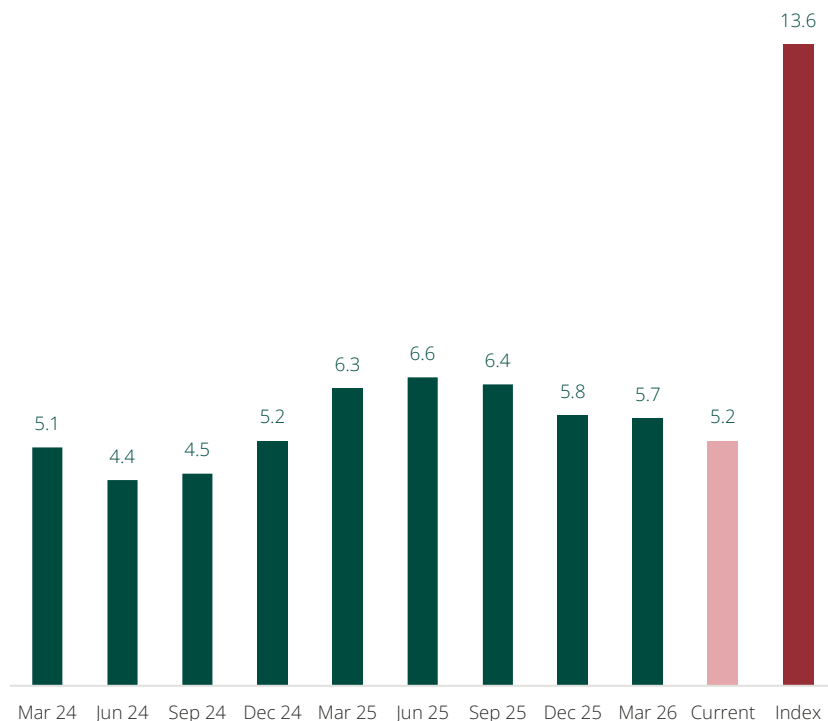
Positioning and Returns

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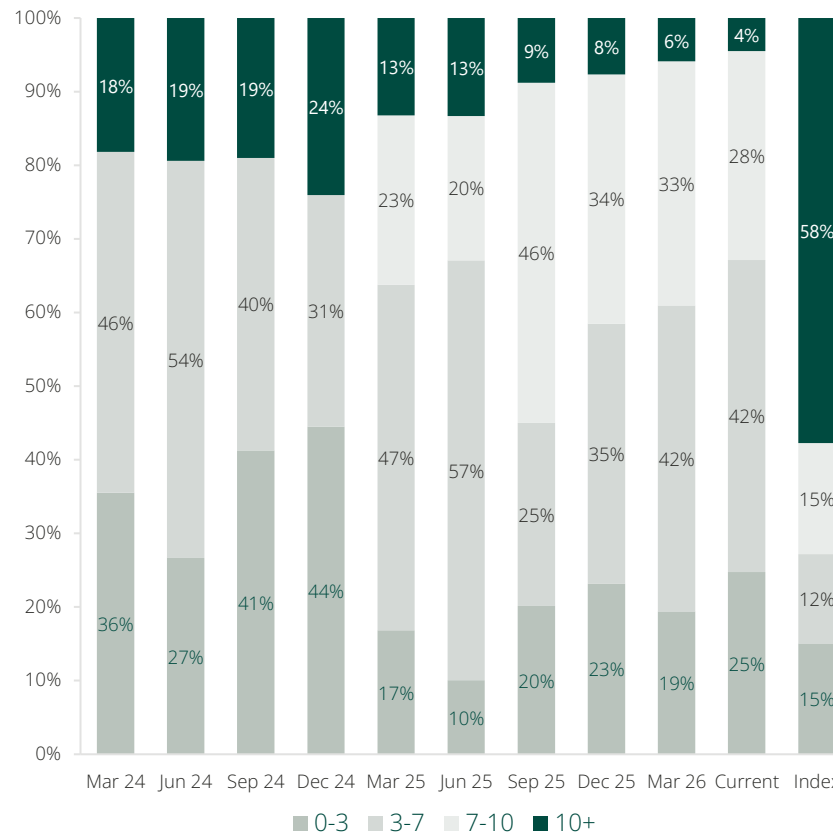
CG UK Index-Linked Bond Fund

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)



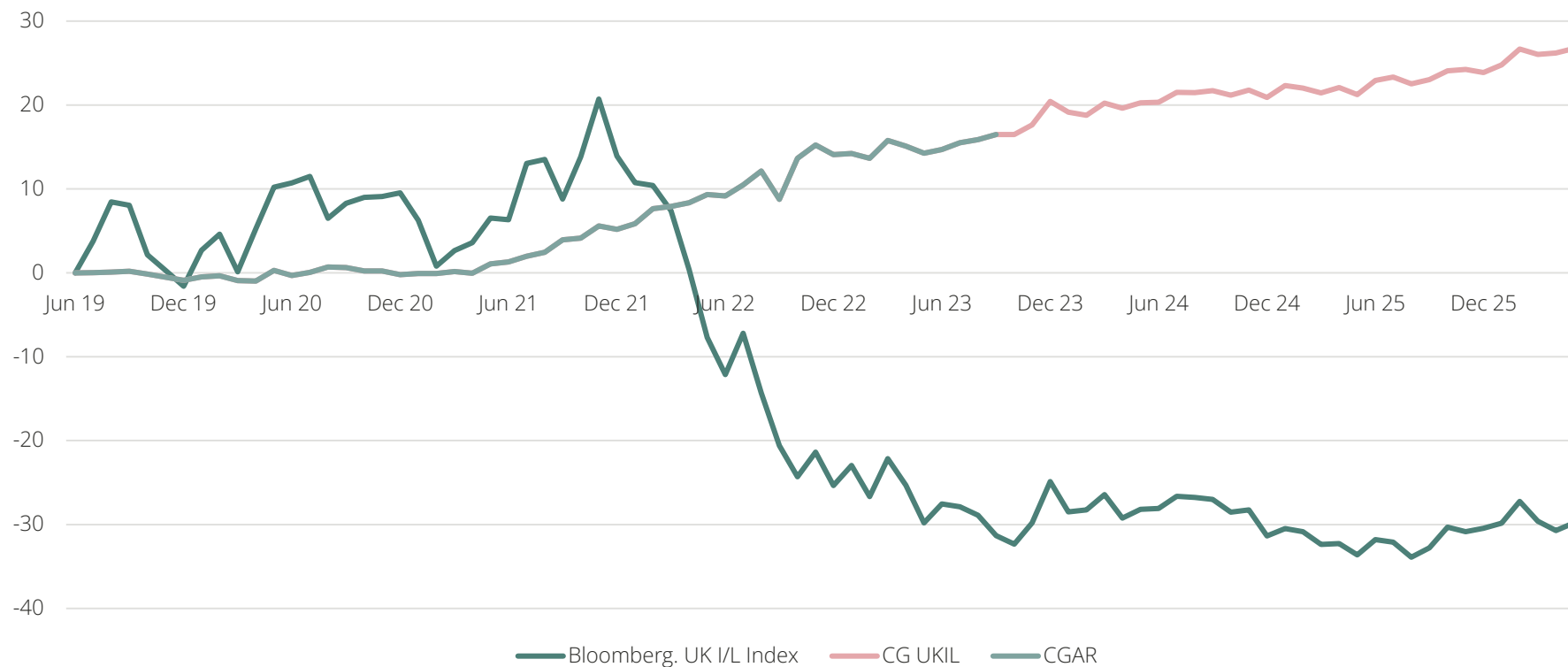
Portfolio Curve Positioning – By Maturity Bucket (Years)



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

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 | | Credit ratings | | Characteristics | |
|-----------------------|-------|----------------|------|--------------------------|---------|
| UKTI 0.125% 10/08/31 | 24.8% | AAA | 0% | Number of bonds | 13 |
| UKTI 0.75% 22/11/33 | 17.5% | AA | 100% | Yield to maturity (real) | 0.8% |
| UKTI 4.125% 22/07/30 | 11.2% | A | 0% | Average maturity | 5.4 Yrs |
| UKTI 1.25% 22/11/27 | 10.9% | BBB | 0% | Average coupon (real) | 0.9% |
| UKTI 0.125% 22/03/29 | 7.5% | BB and below | 0% | Composite rating | AA |

Source: CGAM, Northern Trust

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.

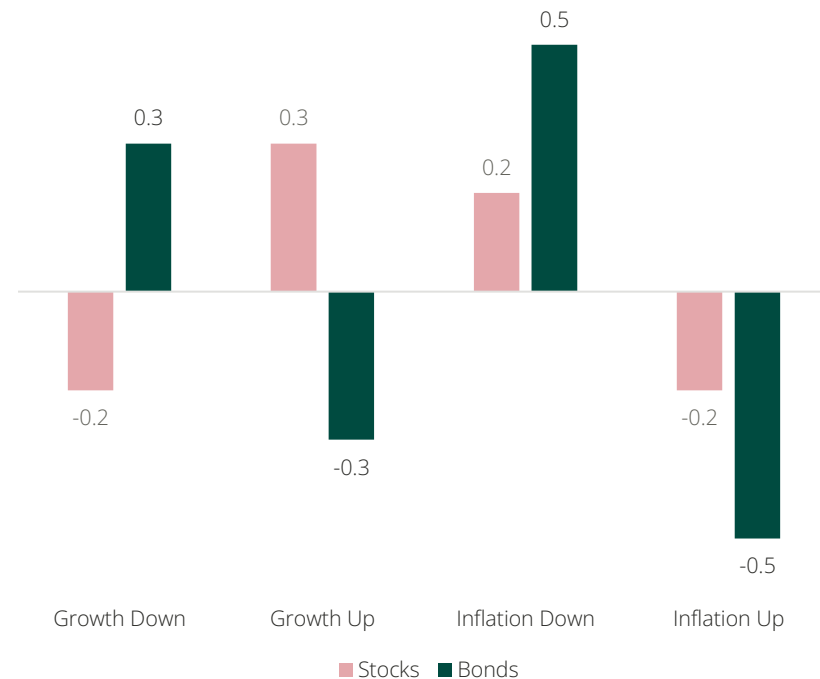
Inflation-linked bonds perform well when equities do not

The negative stock-bond correlation breaks down in times of high inflation. Inflation-linked are a more reliable hedge.

Protection against financial repression

Only asset that we believe is likely to deliver protection.

Sharpe Ratio Differentials by Macroeconomic Environment (1972 – 2022)



Source: *Journal of Portfolio Management* 49:4 March 2023.

Why inflation-linked?

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)



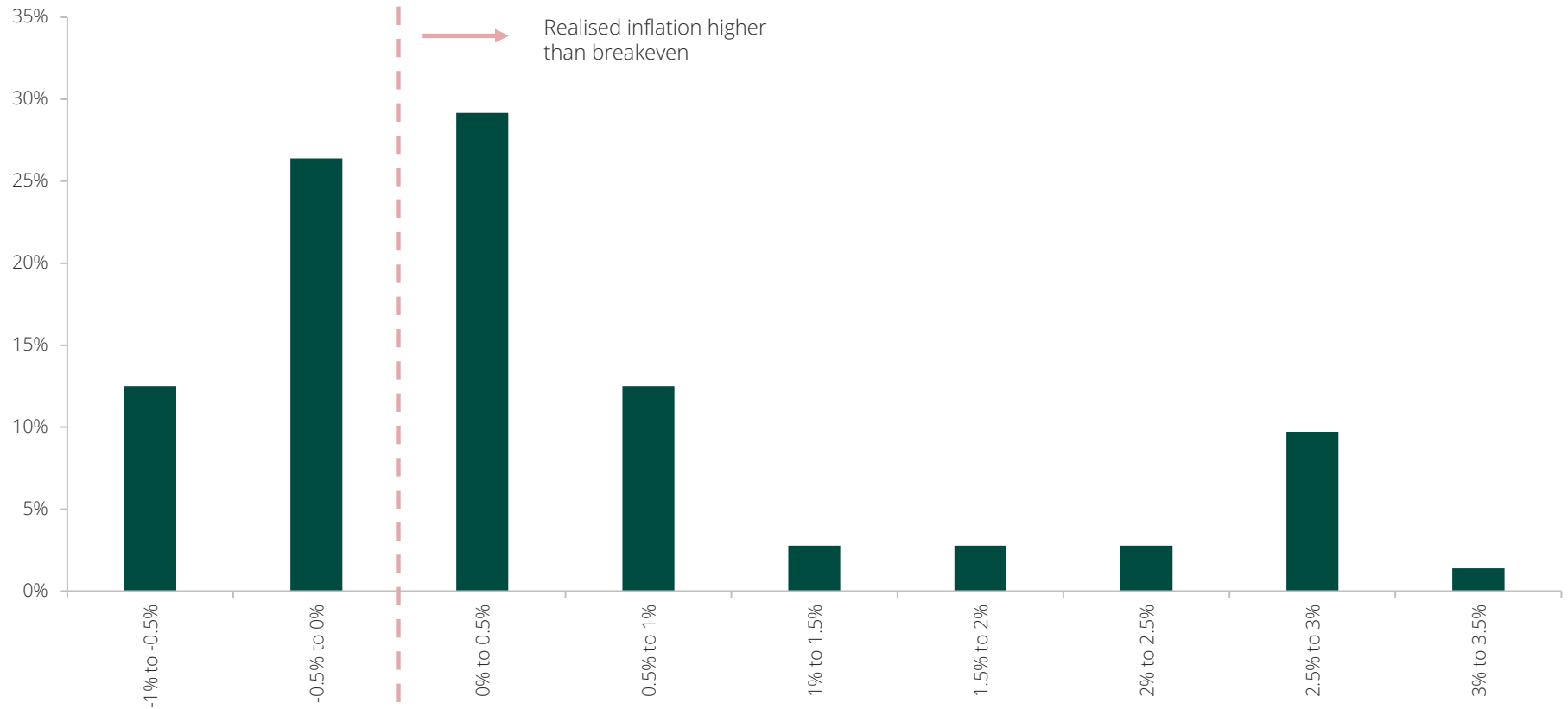
Source: Bloomberg Finance L.P.

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

Why inflation-linked?

Realised inflation has been higher than market-implied expectations

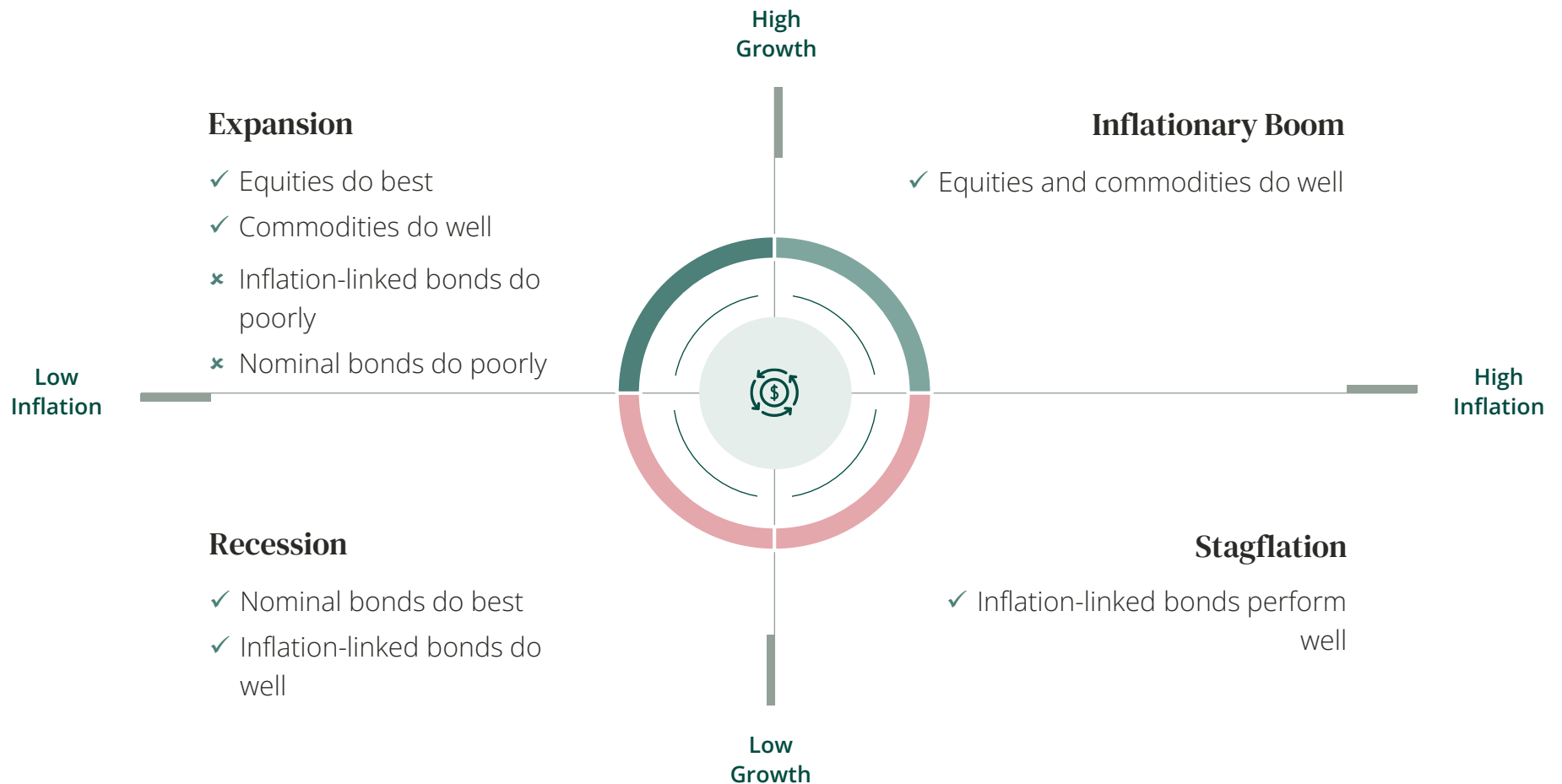
Difference between UK 5Y Breakeven and subsequent realised inflation (% annualised)



Source: Bloomberg Finance LP.

Why inflation-linked?

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



CG Asset Management

Investment Considerations for Direct Government Securities



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 | |

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