

A black and white photograph of two mountain goats standing on a dark, craggy rock face. The goat on the left is standing upright, facing slightly towards the camera, while the goat on the right is in a more crouched position, looking towards the left. The background is a dark, textured rock wall.

CG Asset Management

CG Absolute Return Fund

October 2025

cgam

Disclaimer

CG Asset Management Limited ("CGAM") is authorised and regulated by the Financial Conduct Authority to carry on regulated activities in the United Kingdom.

The information contained in this Document has been prepared by and is the sole copyright of CGAM.

No representation is being made that the Fund or any other fund or account will or are likely to achieve profits or losses similar to those shown and, as with any investment, there is a possibility of profit as well as the risk of loss. Past performance is not indicative of future results.

The information contained in this Document is not investment, tax, accounting or legal advice and does not take into consideration the investment objectives, financial situation or particular needs of the recipient. Investing entails certain risks, including the possible loss of the entire principal amount invested. The recipient of this Document should seek its own financial, tax, accounting and legal advice in connection with any proposed investment.

No representation or warranty is made or given by CGAM or any of its members, officers, employees or affiliates as to the accuracy, completeness or fairness of the information contained in this Document. No responsibility or liability is accepted for any such information. The information in this Document has not been independently verified and is subject at all times to the conditions, caveats and limitations described in this Document. All opinions, projections and estimates constitute the judgment of CGAM as of the date of this Document and are subject to change without notice. The delivery of this Document at any time subsequent to the date of this Document will not under any circumstances create an implication that the information contained herein is correct as of any time subsequent to such date. No reliance may be placed for any purpose whatsoever on the information contained in this Document or on its completeness. Any risk guidelines referred to herein are internal risk guidelines and are subject to change by CGAM without notice to investors.

This Document is not intended to be distributed in any jurisdiction where such distribution is not permitted by the local law. Without prejudice to the generality of the foregoing, this document is not intended, and should not be construed as, marketing of any alternative investment fund for the purposes of any legislation implementing EU Directive 2011/61/EU on Alternative Investment Fund Managers in any member state of the EEA.

The information contained in this Document has not been approved by the UK Financial Conduct Authority or any other regulatory authority, nor has any regulatory authority passed upon the accuracy or adequacy of this Document.

CG Absolute Return Fund

Overview



CG Absolute Return Fund Overview

Investment Objective



- To achieve **cost-effective, long-term absolute returns** via a global portfolio of equities, bonds and commodities
- Simple low-cost approach, no gearing, no short selling
- The fund is actively managed, without reference to a benchmark

Fees and Structure



- Size: **£663m** (launched in May 2016)
- Management Fee: **0.35%** | Total Expense Ratio: 0.47%
- 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

CG Asset Management Overview

2001

Founded

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

£2.4bn

AUM

£2.4bn in assets under management

2

Strategies

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

11

Employees

Team of 11, based in London

286x

Return

Low-cost offering, with fee reductions regularly reviewed

2

Down Years

Capital Gearing Trust ("CGT") has returned 286x since 1982, with only two down years

CGAM in partnership with our clients

What makes us different?

The firm's founding principles



What does that mean for our clients?

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
- We have **low staff turnover**

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	£822m	Listed	0.41% ³	0.55%
	CG Absolute Return (EUR Hedged, USD Hedged available)	IE00BYQ69B30	2016	£663m	Daily	0.35%	0.47%
	Capital Gearing Portfolio (P,V shares)	IE00BG5Q6F12	2001	£223m	Daily	0.75%	0.87%
Real Return Long only investments in inflation linked bonds	CG Real Return Fund (GBP Hedged available)	IE0034304117	2004	£216m	Daily	0.30% / 0.20% ⁴	0.41%
	CG Dollar Fund (GBP Hedged, EUR Hedged and USD Unhedged available)	IE00B41GP767	2009	£428m	Daily	0.25% / 0.15% ⁵	0.37%
	CG UK Index-Linked Bond Fund	IE000ZSVG218	2023	£21m	Daily	0.15%	0.31%

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 30th September 2025

CGAM Team

Investments



Peter Spiller

Co - Chief Investment Officer



Alastair Laing

CEO, Fund Manager



Chris Clothier

Co - Chief Investment Officer



Chris Taylor

Chief Operations Officer



Jason Barlow

Senior Operations Manager



Katie Forbes

Head of Investor Relations



Hassan Raza, CFA

Portfolio Manager



Emma Moriarty

Portfolio Manager



Jock Henderson

Investment Analyst



Amber Williams

Head of Compliance



Prath Ketheeswaran

Operations Manager



Finn

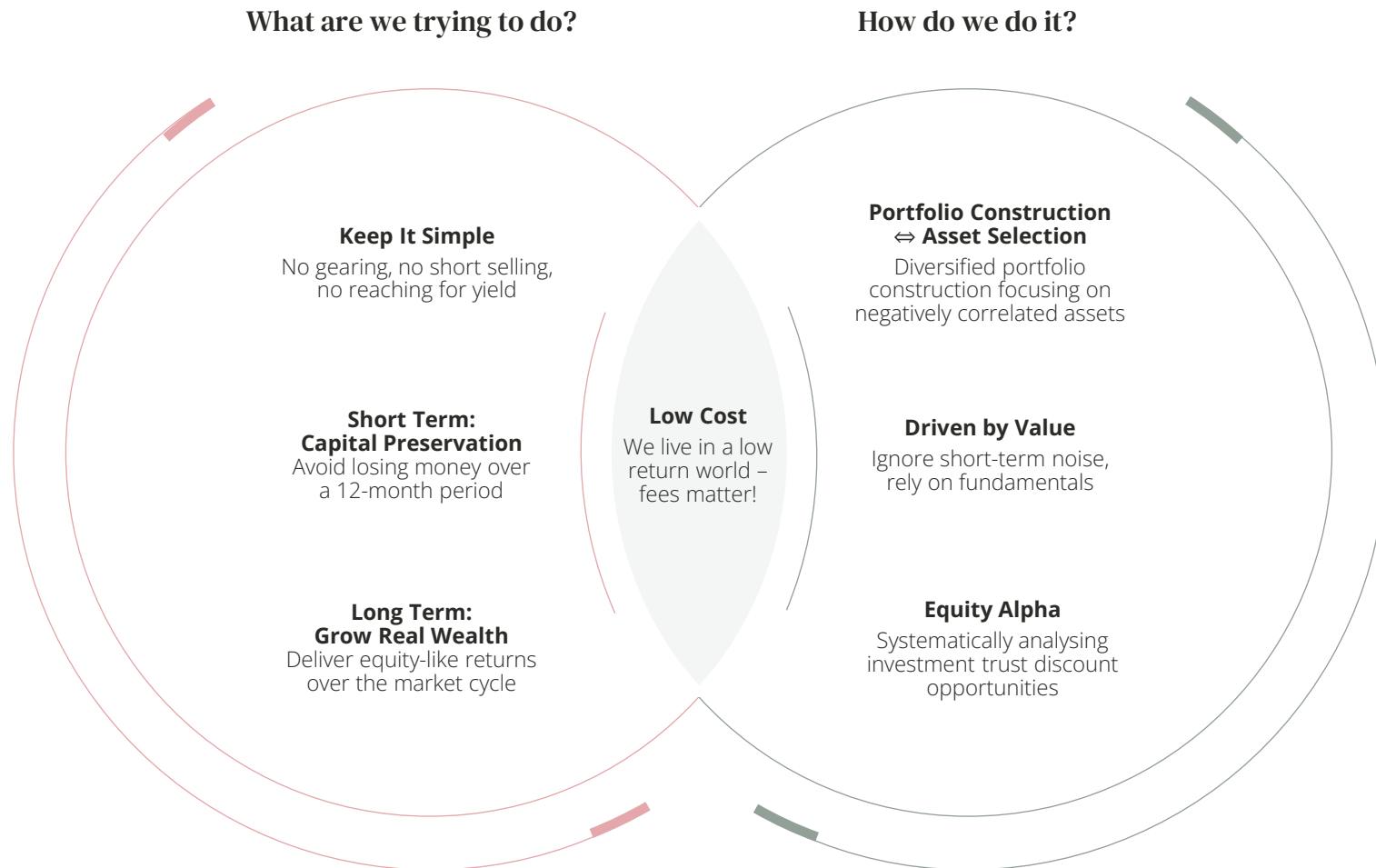
Chief Morale Officer

Investment Process

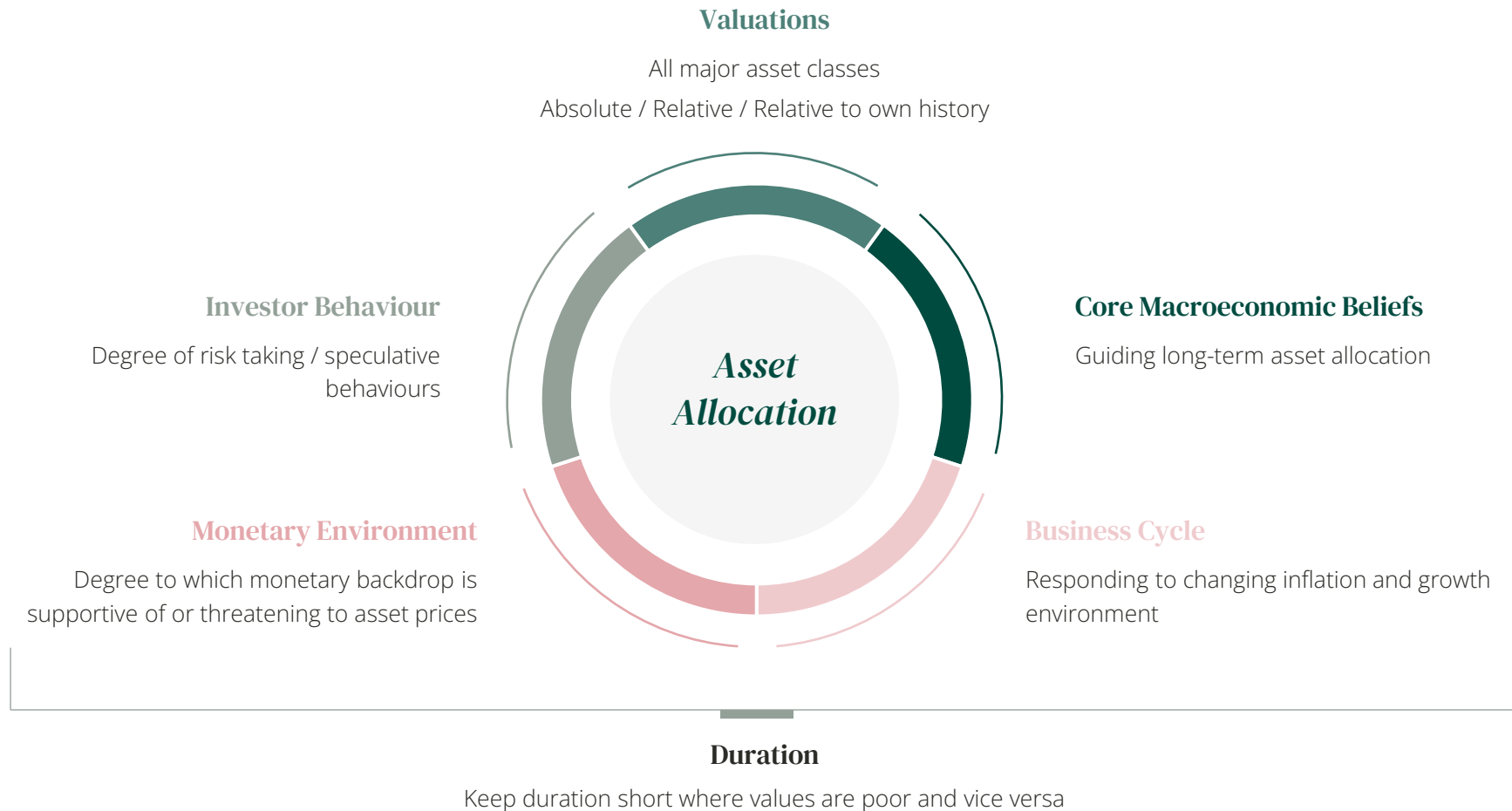
CG Absolute Return Fund



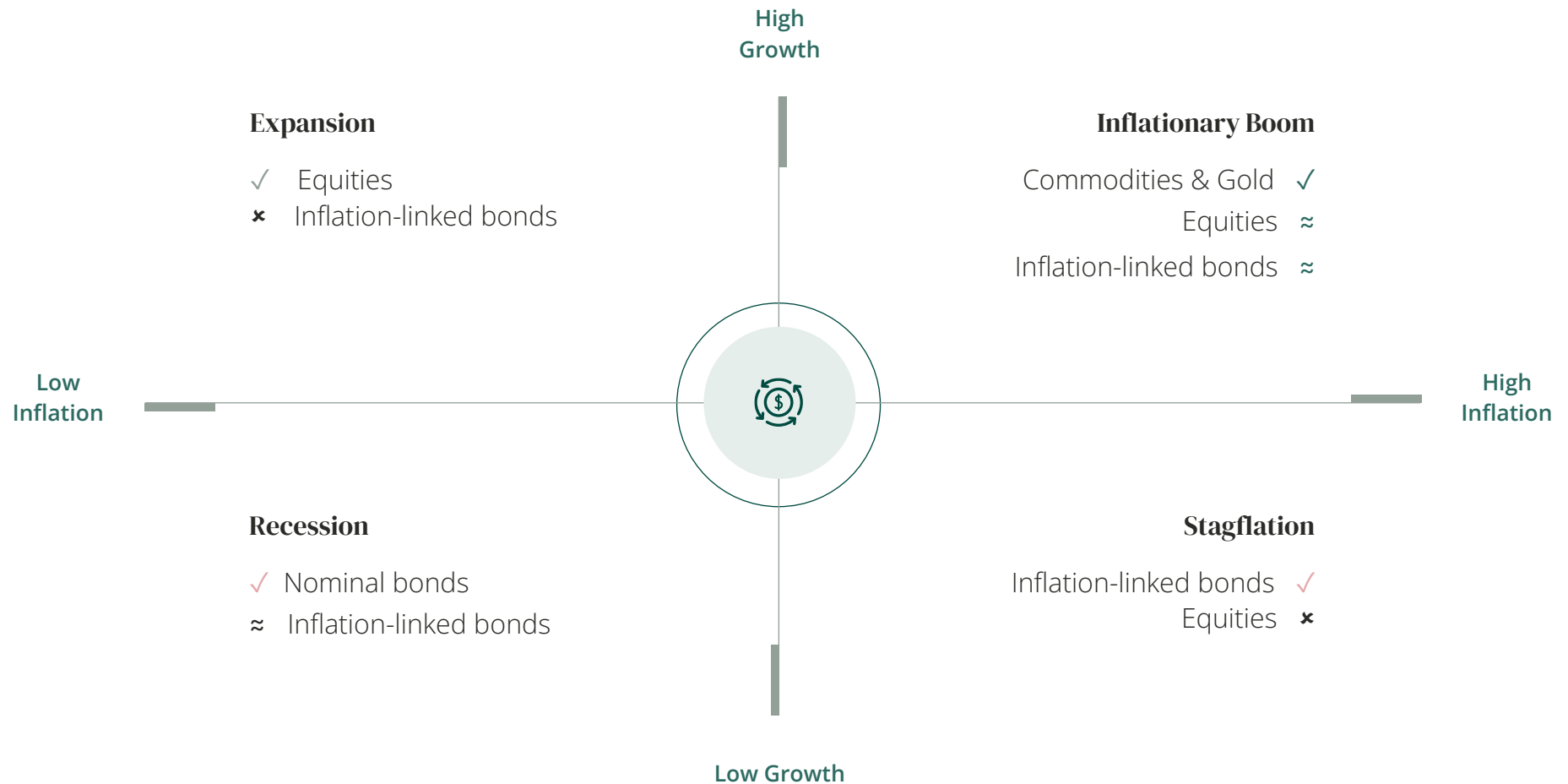
Principles



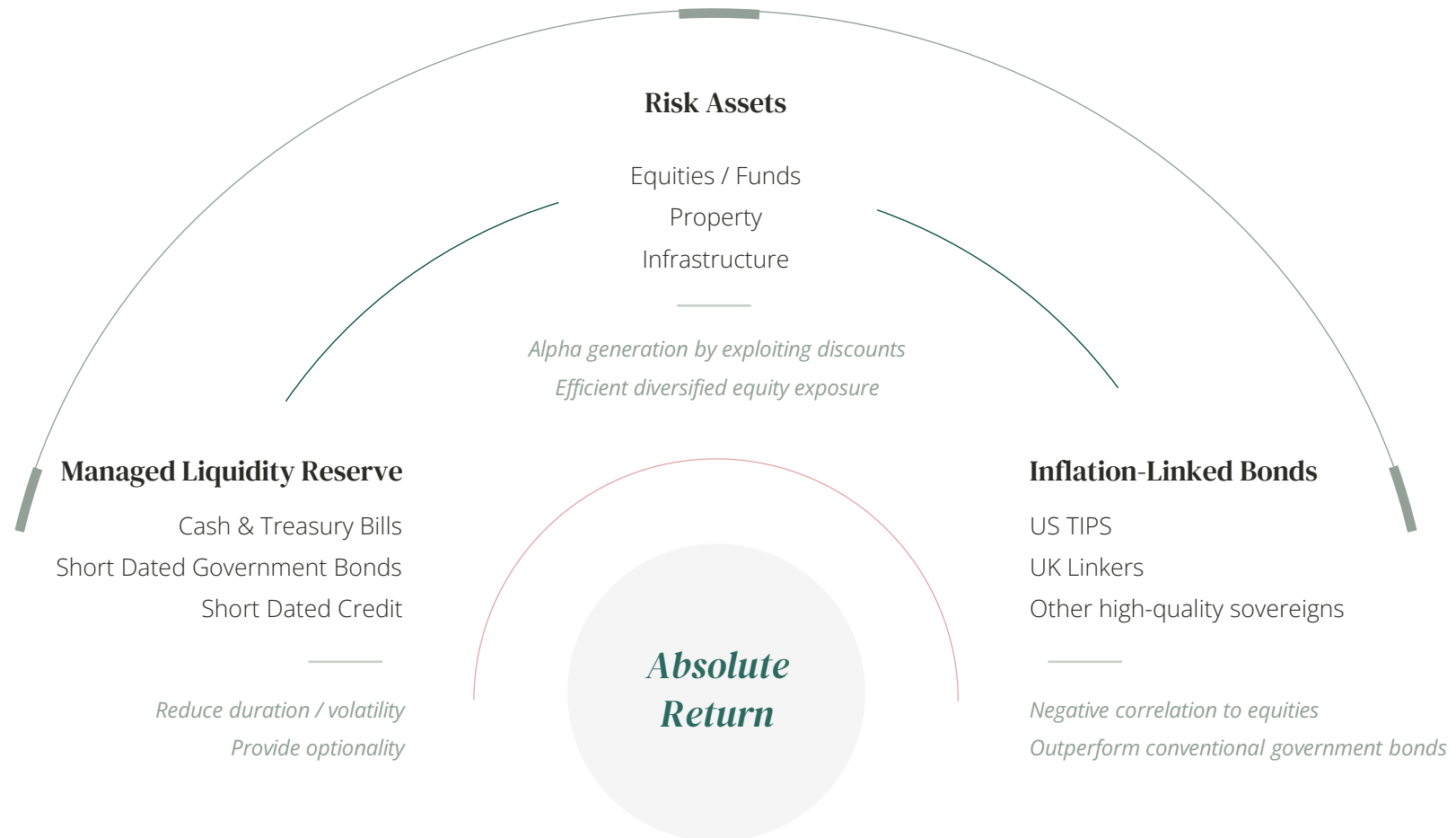
5 inputs drive our asset allocation, underpinned by a focus on duration



Dynamic asset allocation that responds to the business cycle



3 Core Asset Allocation Pillars



Inflation-Linked bonds are a fundamental component of our asset allocation

Protection against financial repression

Only asset that we believe is likely to deliver protection

Negative correlation with risk assets

Particularly overseas against sterling denominated risk assets

Historic outperformance vs nominal bonds

Such outperformance is likely to persist into the future

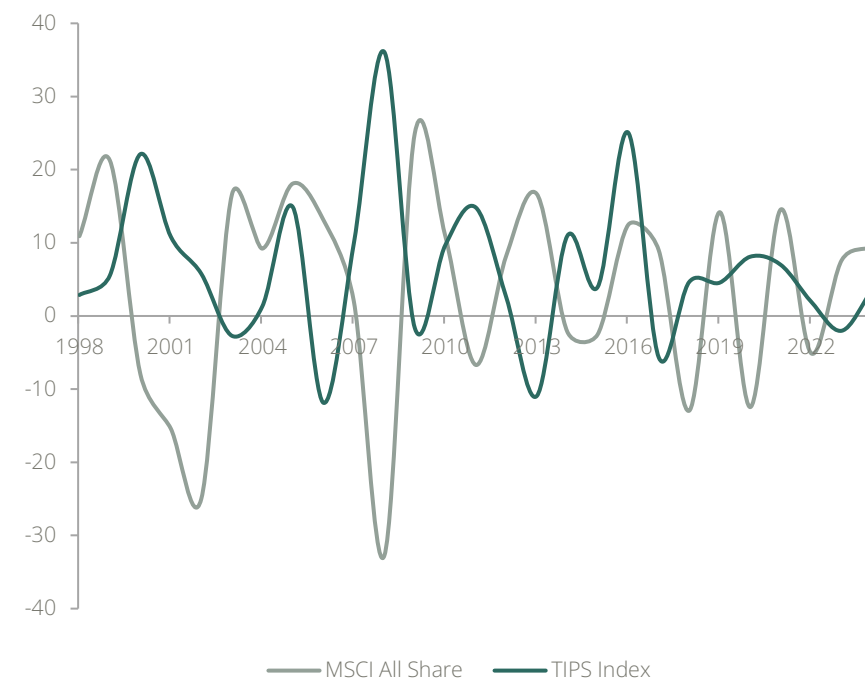
Inflation as greatest risk to investor wealth

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

Annual Returns % of UK Stocks and TIPS – unhedged in GBP (1998 – 2024)



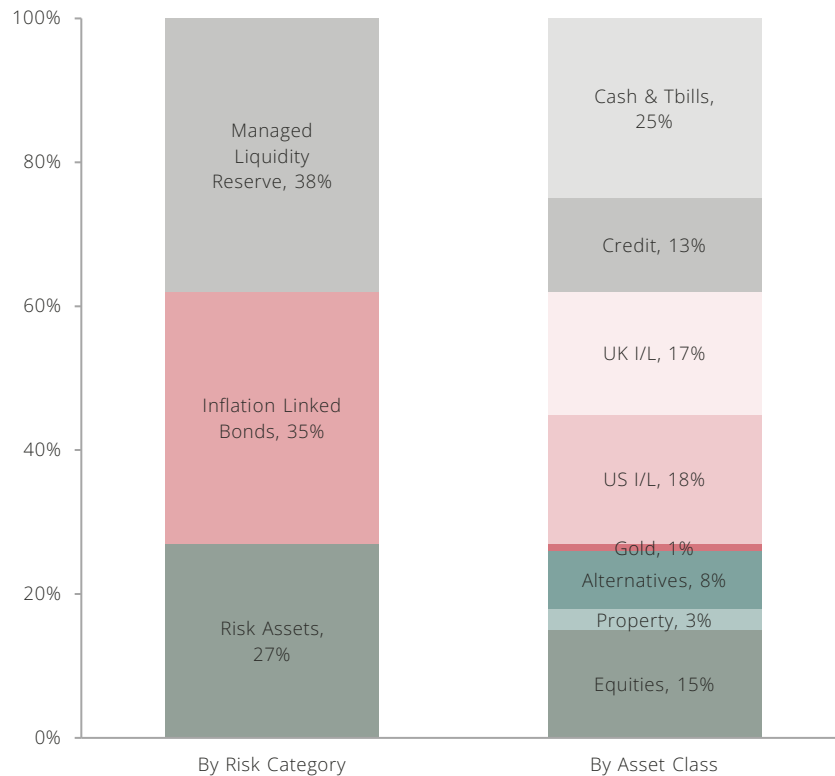
CG Absolute Return Fund

Positioning and Returns

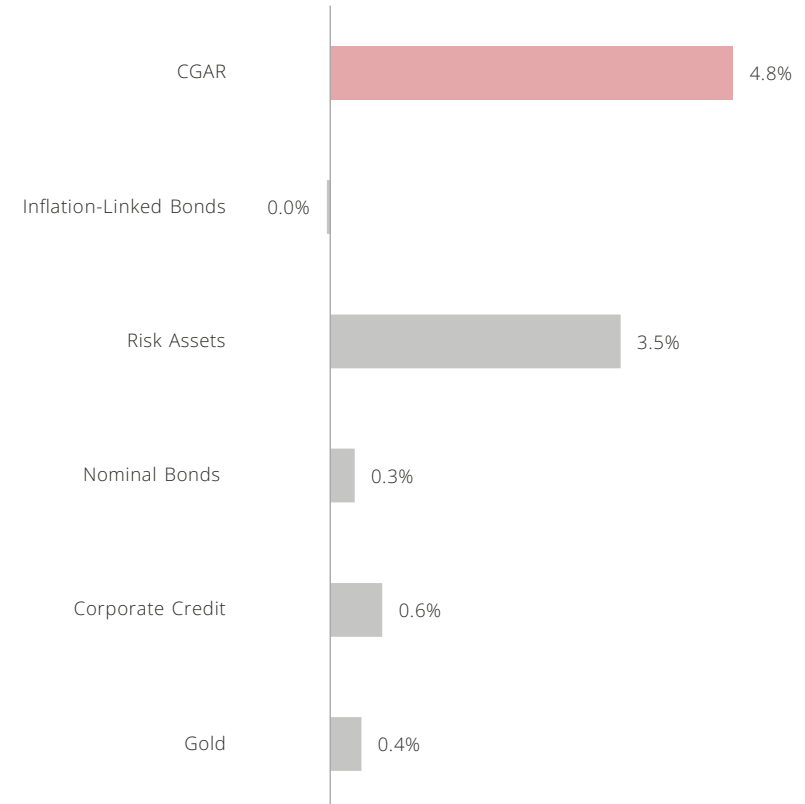


Positioning is defensive, with a focus on inflation protection

CGAR Asset Allocation September 2025



Contribution by Asset Class LTM September 2025¹



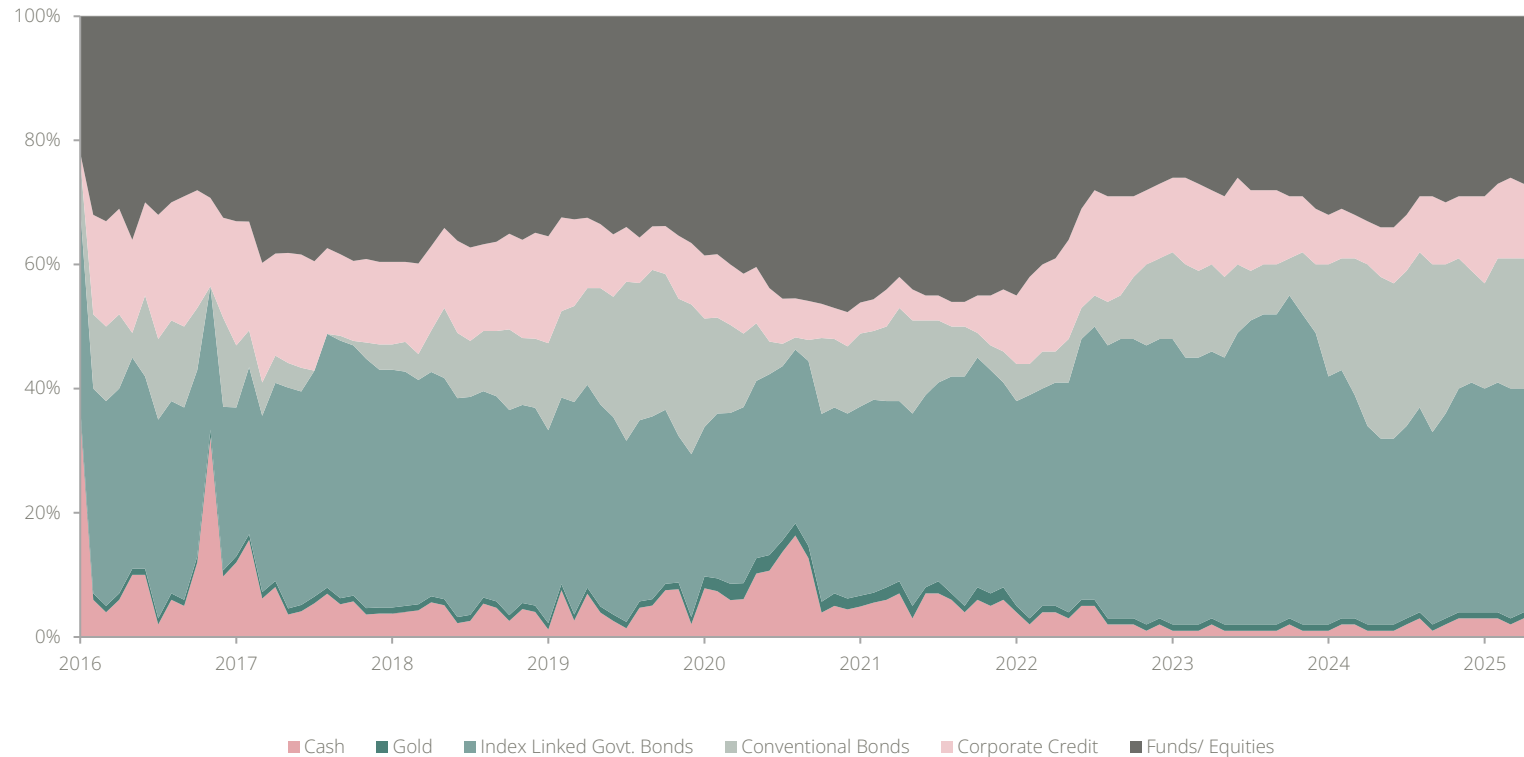
1) Performance net of fees

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

Positioning and Returns

Changes to asset allocation tend to be modest over the short term but can be fundamental over the long term

CGAR Asset Allocation – 2016 to 2025



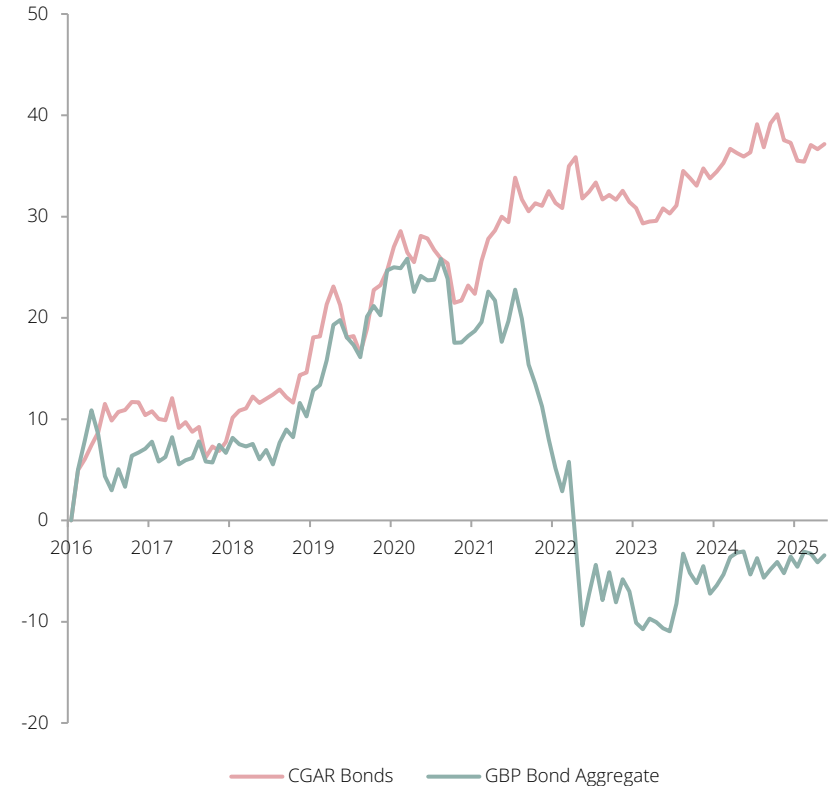
Source: CGAM, Bloomberg Finance L.P., Northern Trust.

Both equity and bond portfolios have contributed to strong performance

CGAR Risk Assets Return Performance to September 2025¹



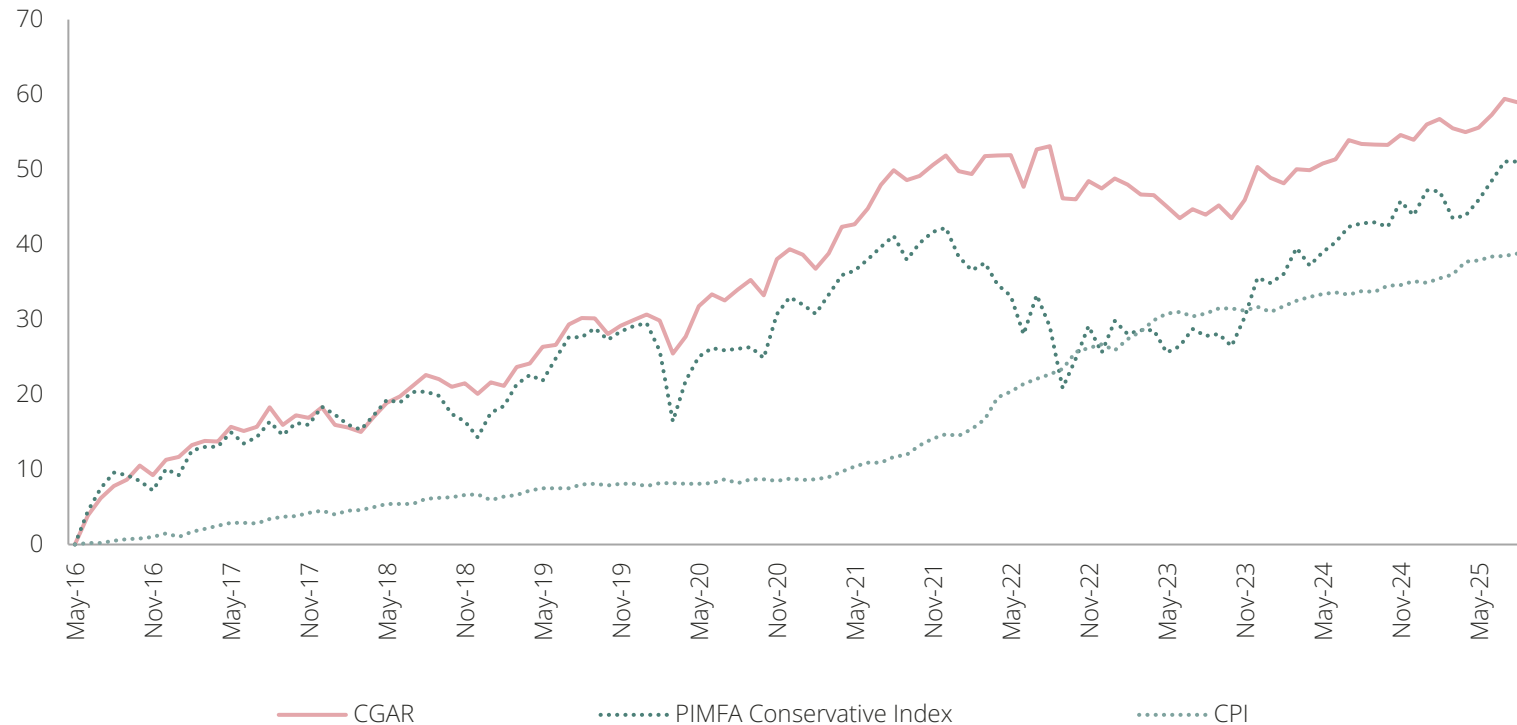
CGAR Bonds Only Return Performance to September 2025¹



¹Risk 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

CGAR has outperformed comparators on an absolute and risk adjusted basis

CGAR vs. Comparators: Total Returns (since inception) to September 2025¹

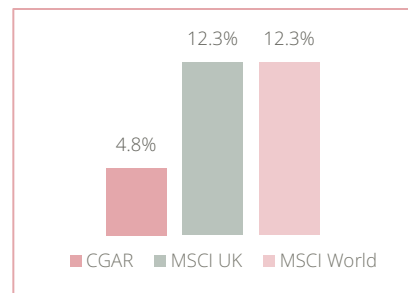
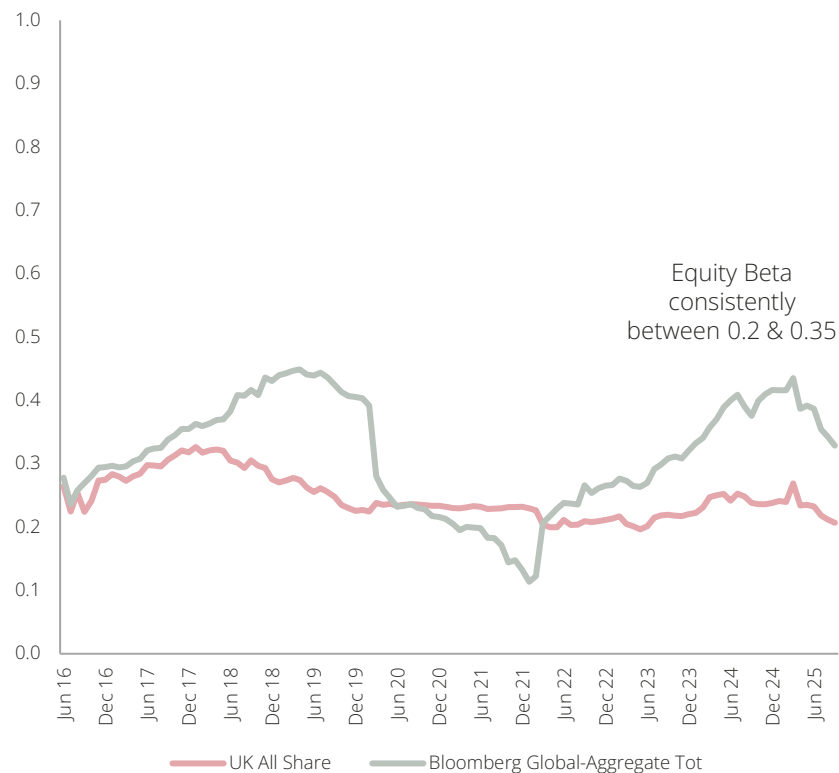


1. The MSCI PIMFA (Private Investor Conservative Index) aims to represent the investment strategy of a UK private client adopting a conservative approach to their investment
Source: Bloomberg Finance L.P., Northern Trust

Positioning and Returns

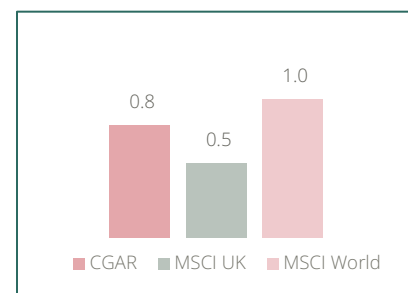
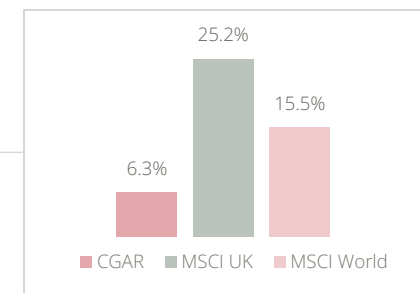
Returns have come with low correlation to equity & bond markets, and excellent risk adjusted performance

Sharpe Ratio & Volatility (%) vs. Major Indices



Volatility

Drawdown

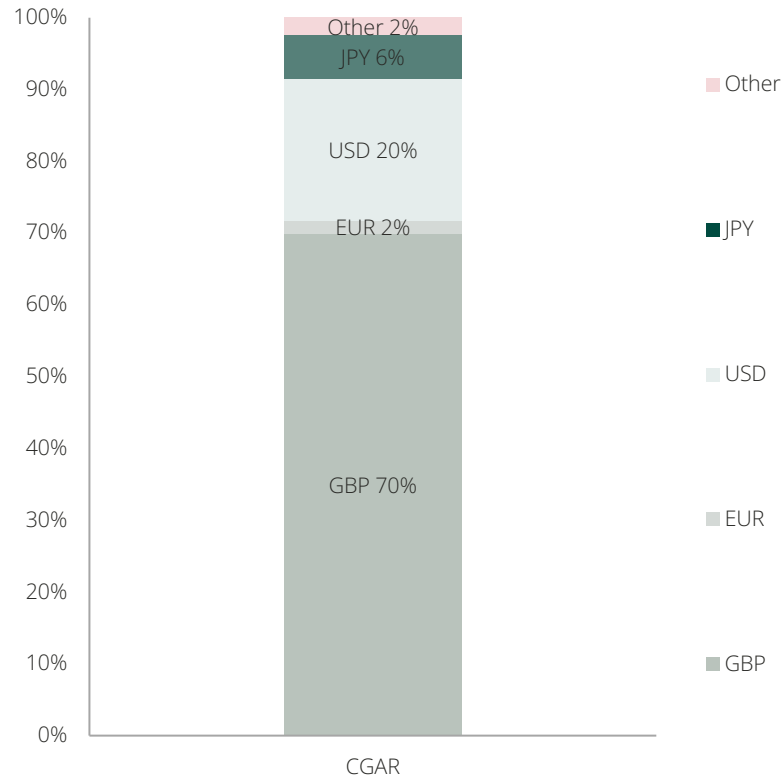


Sharpe Ratio

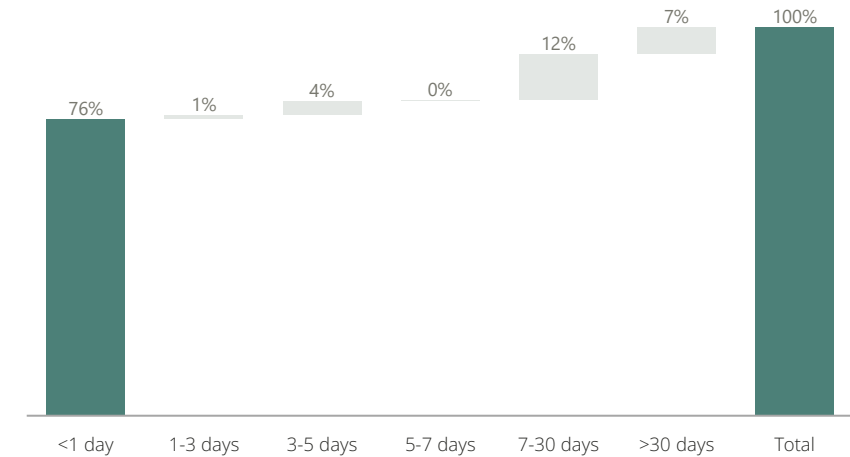
Source: Bloomberg Finance L.P, risk statistics per Bloomberg standard definitions

Currency exposure and liquidity are actively managed

Currency Exposure¹



Time to Liquidation (days)²



Duration and Yield³

	Weight	Duration (Yrs)	Yield (%)	Rating ⁴
Cash & Tbills	25%	1.0	4.1	A+
I/L Bonds	35%	7.5	4.3/1.4	A+
Corp. Bonds	13%	2.8	5.7	A/A-
Risk Assets (HY Credit)	1%	1.1	9.1	BB/BB-
Risk Assets (Div Yield Equity)	26%	n.a.	5.2	n.a.
CGAR	100%	4.4		

1. Currency exposure is estimated using CGAM analysis of Bloomberg, Numis and Company data

2. Assumes 25% average daily volume participation rate

3. Duration refers to Option Adjusted Duration, Yield refers to the nominal yield to maturity for fixed income with real yield also shown for inflation-linked bonds. For equities, yield refers to dividend yield. Cash & Tbills includes bank deposits, hedged and unhedged government instruments. We display the 6-month UK Treasury Bill yield as a conservative representation of the yield on the underlying holdings in this bucket.

4. Ratings are sourced from Bloomberg and Moody's.

Top Equity and Bond Holdings

Top 10 Equity Holdings

Asset	Weight
Vanguard FTSE 100 ETF	1.7%
JPMorgan Japan ETF	1.6%
Vanguard FTSE 250 ETF	1.6%
North Atlantic Small Companies	1.6%
iShares FTSE 100 ETF	1.5%
International Public Partnership	1.4%
HICL Infrastructure	1.3%
3I Infrastructure	1.2%
BH Macro	1.2%
Blackrock Energy	1.1%
	14.2%

Top 10 Bond Holdings

Asset	Weight
JGB 0.60% 01/01/27	5.7%
UKTI 0.75% 22/11/33	4.9%
JGB 0.60% 01/12/26	4.2%
UKTI 0.125% 10/08/31	3.7%
UKTI 1.25% 22/11/32	2.5%
US I/L 1.375% 15/07/33	2.3%
US I/L 0.125% 15/07/31	2.2%
US I/L 0.125% 15/07/26	2.0%
US I/L 1.875% 15/07/34	1.9%
JGB 0.70% 01/02/27	1.9%
	31.3%

Source: CGAM, Northern Trust

Current Focus Areas



Real Interest Rates

Developed market issuers offering risk free inflation beating returns

US TIPS are offering attractive real yields

UK inflation-linked bonds offer an attractive opportunity for portfolio construction



Japanese Equities

The Yen is offering exceptional value, making Japanese corporates highly competitive and driving strong earnings growth



Investment Trusts

Average discounts have widened to levels last seen since the financial crisis and there is scope for active engagement with boards



Infrastructure

Defensively positioned infrastructure assets with inflation linked cashflows are offering attractive real returns

CG Absolute Return Fund

Considerations Within Our Investment Approach



The moral 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 for individual asset classes

1. Direct Government Securities

The 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.

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

2. Direct Corporate Credit and Preference Shares

The funds hold small quantities of direct credit and preference share holdings issues by corporate issuers. Given our small participation in the market and therefore limited influence, our primary approach is to exclude corporate issuers who are primarily engaged in the following activities:

Exclusion Area	Exclusion sub-Area	Threshold
Controversial weapons	Anti-personnel mines, cluster munitions, chemical weapons	0%
Tobacco	Manufacture or marketing	<5%
Thermal Coal	Coal mining or coal-based energy production	<5%
Oil sands or arctic drilling	Production	<5%
Gambling	Services	<5%
Adult entertainment	Production or broadcasting	<5%
Firearms	Manufacture	<5%
Predatory lending	Services	<5%

Considerations for individual asset classes

3. Listed Closed-Ended Funds, Investment Trust, REITs and Property Companies

CGAM has a long history of active engagement in the London market for listed closed ended funds and other collective investment companies including REITs. In this priority area for engagement, we seek to achieve positive transition so do not employ systematic exclusions.

Listed investment companies are fundamentally different to operating companies and typically have the following features:

- They hold a broad portfolio of securities on behalf of their shareholders;
- External investment managers rather than executive management teams;
- No employees or customers; and
- Have a board of directors to represent shareholder interests and concerns.

Given the prominent role that directors play in investment companies, CGAM frequently undertakes activities that aim to influence boards and ultimately improve governance. The techniques employed vary based on the specific scenario but include those listed here (see box).

As well as engagement in the sector, CGAM places particular importance on providing primary capital to high impact investment companies and a number of our holdings have a positive environmental or social focus. In our assessment, by providing primary capital, via IPO sponsorship or follow on fund raisings, investors have a greater impact than by simply trading securities in the secondary market.

Activist Engagement Technique	Frequency of Employment
Management Engagement	Continuous
Board Engagement	Continuous
Shareholder co-ordination	Frequent
Voting against significant resolutions	Frequent
Raising ESG matters in fund reporting	Frequent
Amplification through press engagement	Periodic
Replacing directors to improve governance	Periodic
Publishing open letters	Periodic
Publishing research incorporating ESG views	Periodic
Threatening to requisitioning meetings	Periodic

4. Exchange Traded Funds ('ETFs')

Funds advised by CGAM hold relatively small quantities of exchange traded funds. ETFs are listed collective funds which typically track an index and provide low cost, efficient access to a broad portfolios of securities. CGAM does engage directly with our approved panel of ETF providers to encourage improved stewardship standards. However our capacity for effective engagement is limited, we therefore consider exclusions where there are suitable ETFs available. Typically this is via ESG screened ETFs which is a dynamic and growing sector. The programme of identifying and conducting due diligence on these products is ongoing.

IR@cgasset.com

+44 20 3906 1643

20 King Street, London, EC2V 8EG

www.cgasset.com

cgam