

A black and white photograph of two mountain goats standing on a dark, layered rock face. The goats are positioned on the right side of the frame, with one slightly higher than the other. The rock face shows distinct horizontal geological strata. The background is dark and textured.

CG Asset Management

CG UK Index-Linked Bond 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 UK Index-Linked Bond Fund

Overview



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: **£21m** (launched in October 2023)
- Management Fee: **0.15%** | Total Expense Ratio: 0.31%
- 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

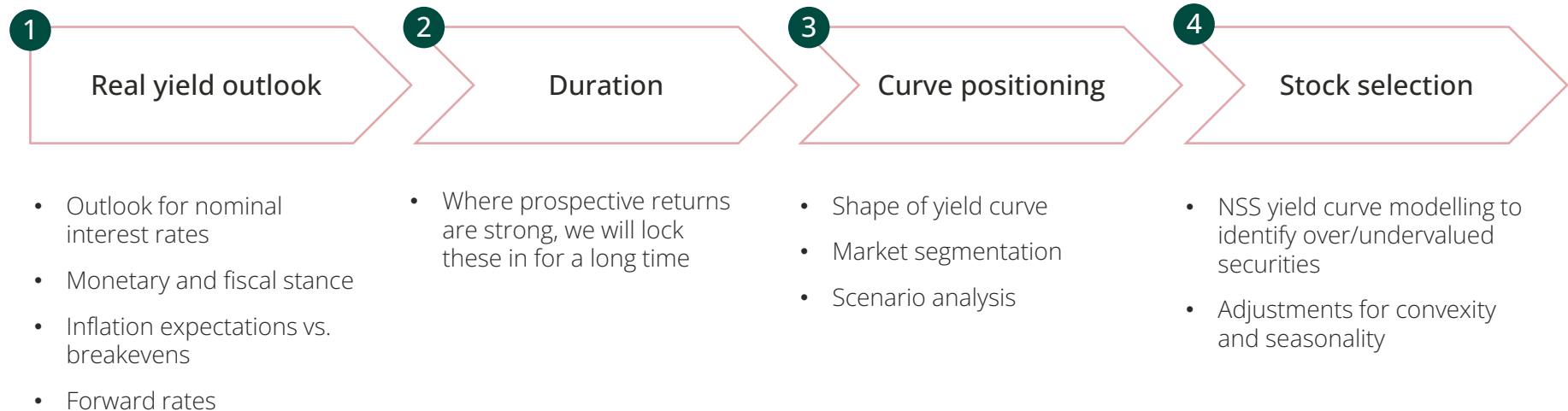
Chief Morale Officer

Investment Process

CG UK Index-Linked Bond Fund



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



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

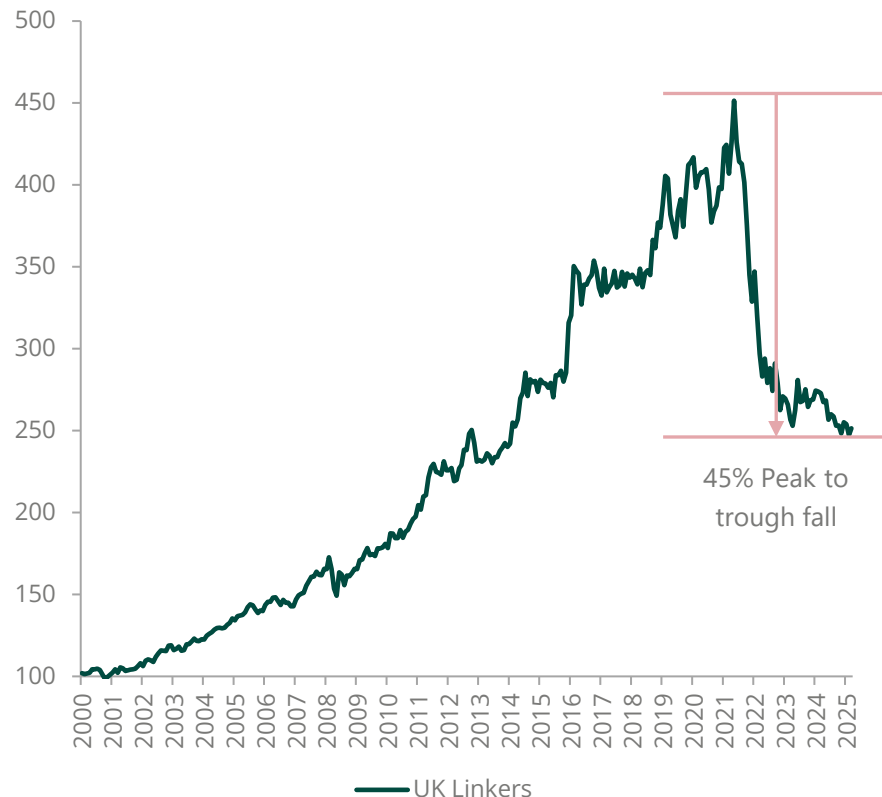
UK 10 Year Real Yield (%)



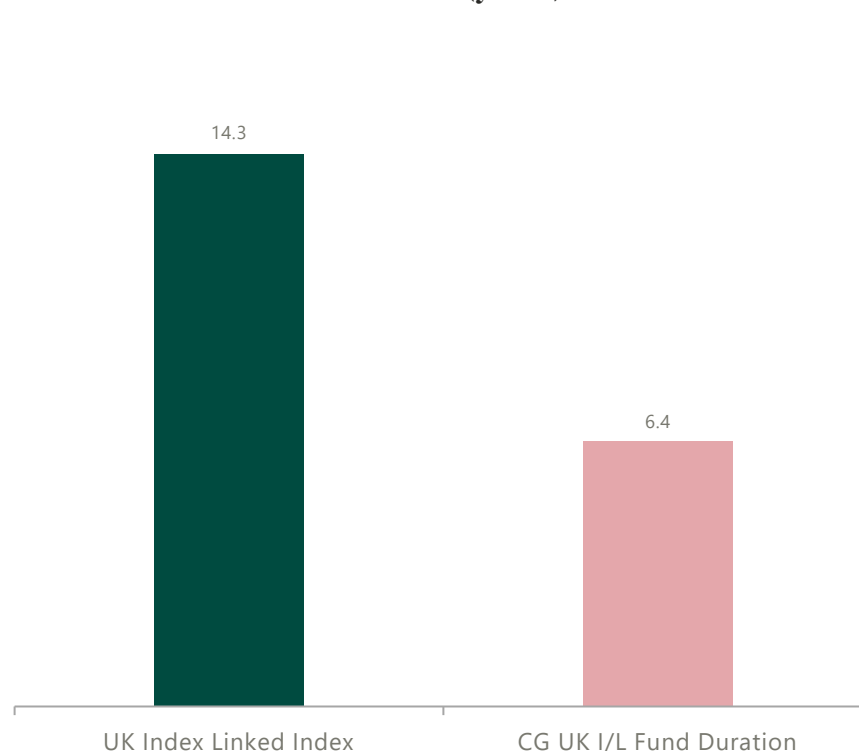
Source: Bloomberg Finance L.P.

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 Index-Linked total return index¹⁾



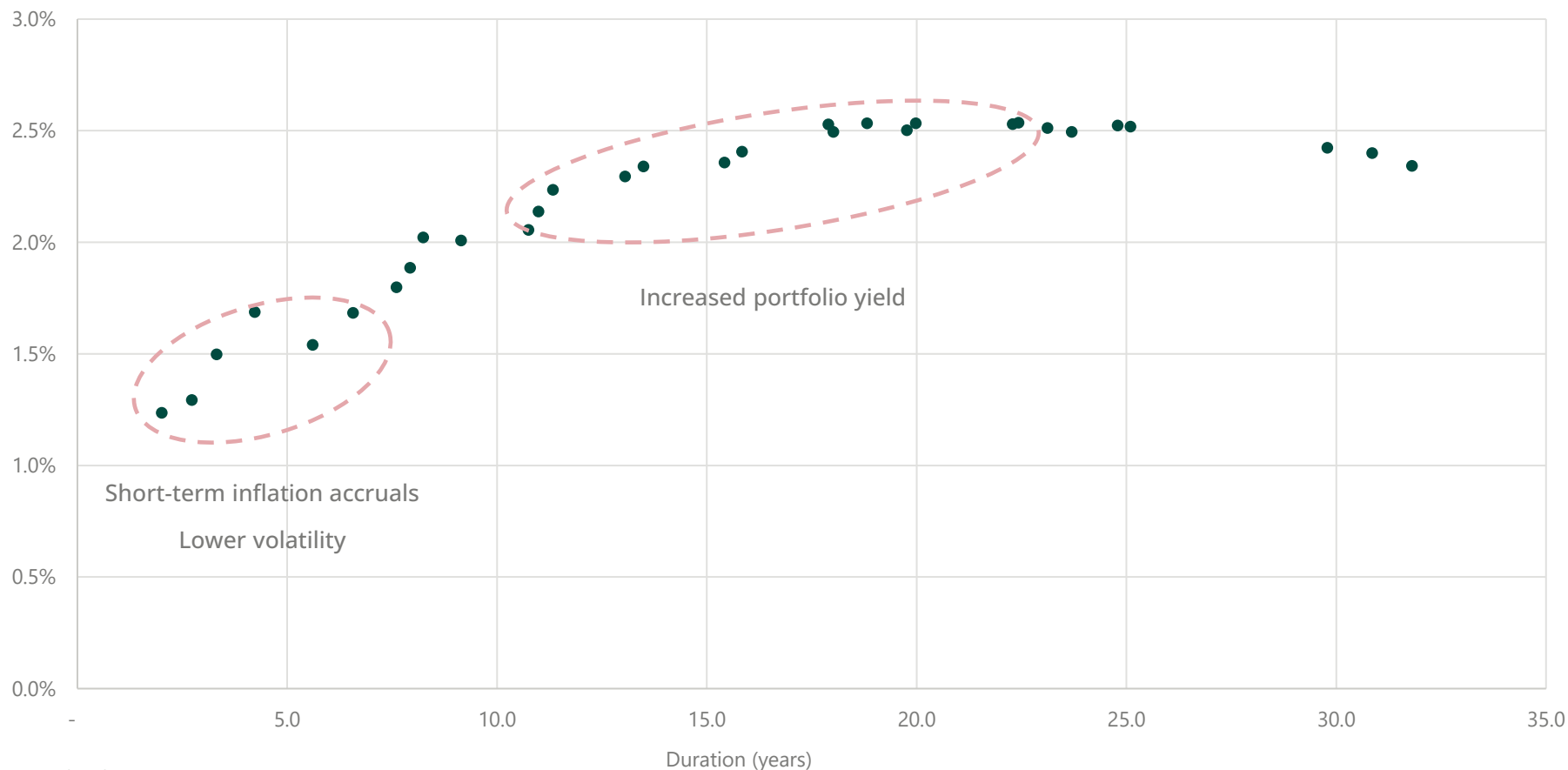
UK Index-Linked Index duration (years)



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

The shape of the yield curve is driven in part by non-fundamental factors which creates opportunities for active management

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

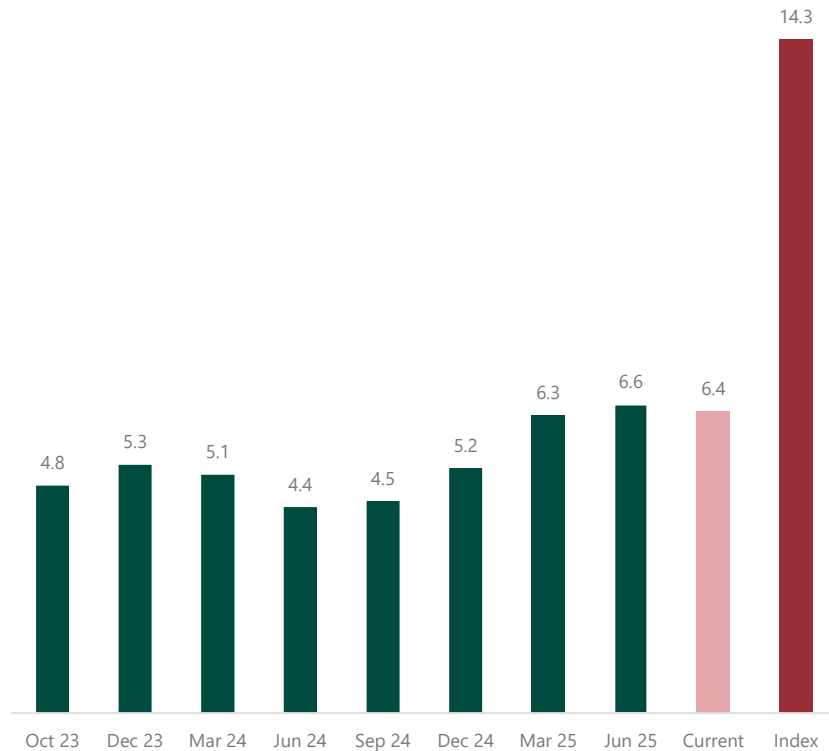
Positioning and Returns



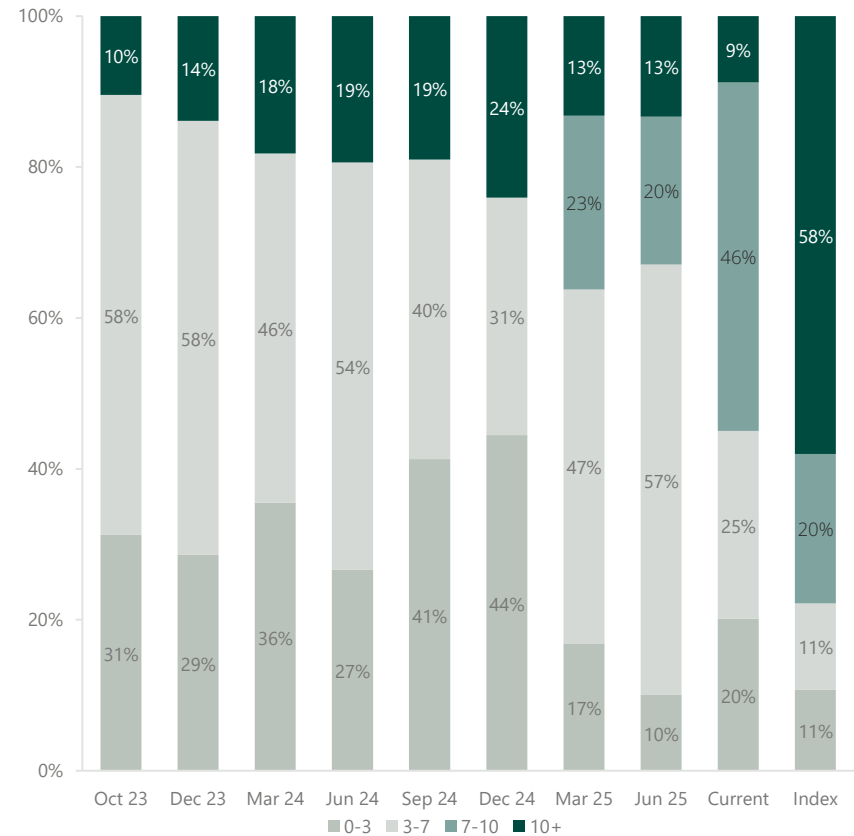
CG UK Index-Linked Bond Fund

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 index-linked curve

Portfolio Duration (Years)



Portfolio Curve Positioning – By Maturity Bucket (Years)



Source: Bloomberg Finance L.P., Northern Trust

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 0.75% 22/11/33	24.5%	AAA	0%	Number of bonds	14
UKTI 0.125% 22/03/26	18.9%	AA	100%	Yield to maturity (real)	1.6%
UKTI 4.125% 22/07/30	13.7%	A	0%	Average maturity	6.6 Yrs
UKTI 0.125% 10/08/31	10.9%	BBB	0%	Average coupon (real)	0.7%
UKTI 2.00% 26/01/35	8.7%	BB and below	0%	Composite rating	AA

Source: CGAM, Northern Trust

Why index-linked?

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



Why index-linked?

Index-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.

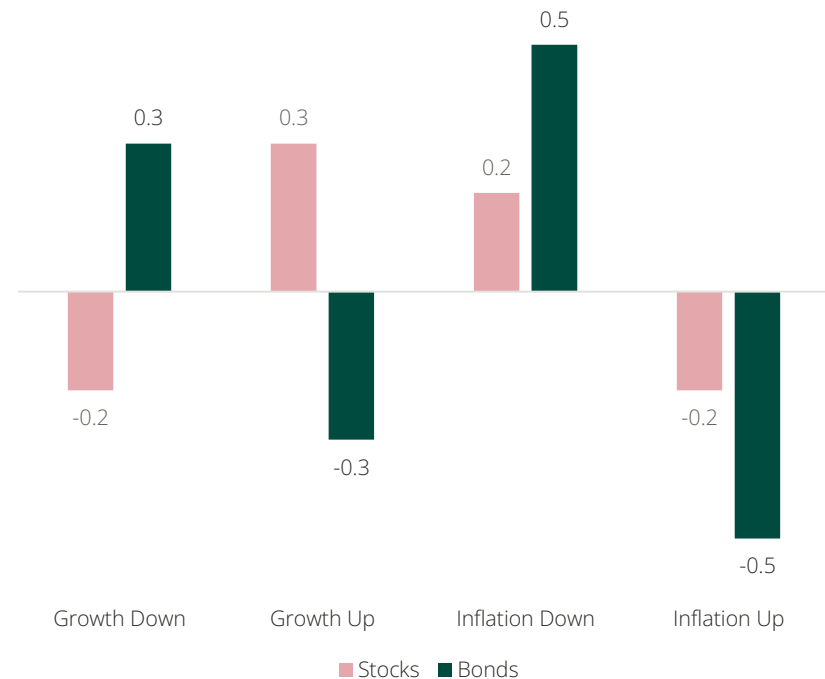
Index-linked bonds perform well when equities do not

The negative stock-bond correlation breaks down in times of high inflation. Index-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 index-linked?

Index-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)

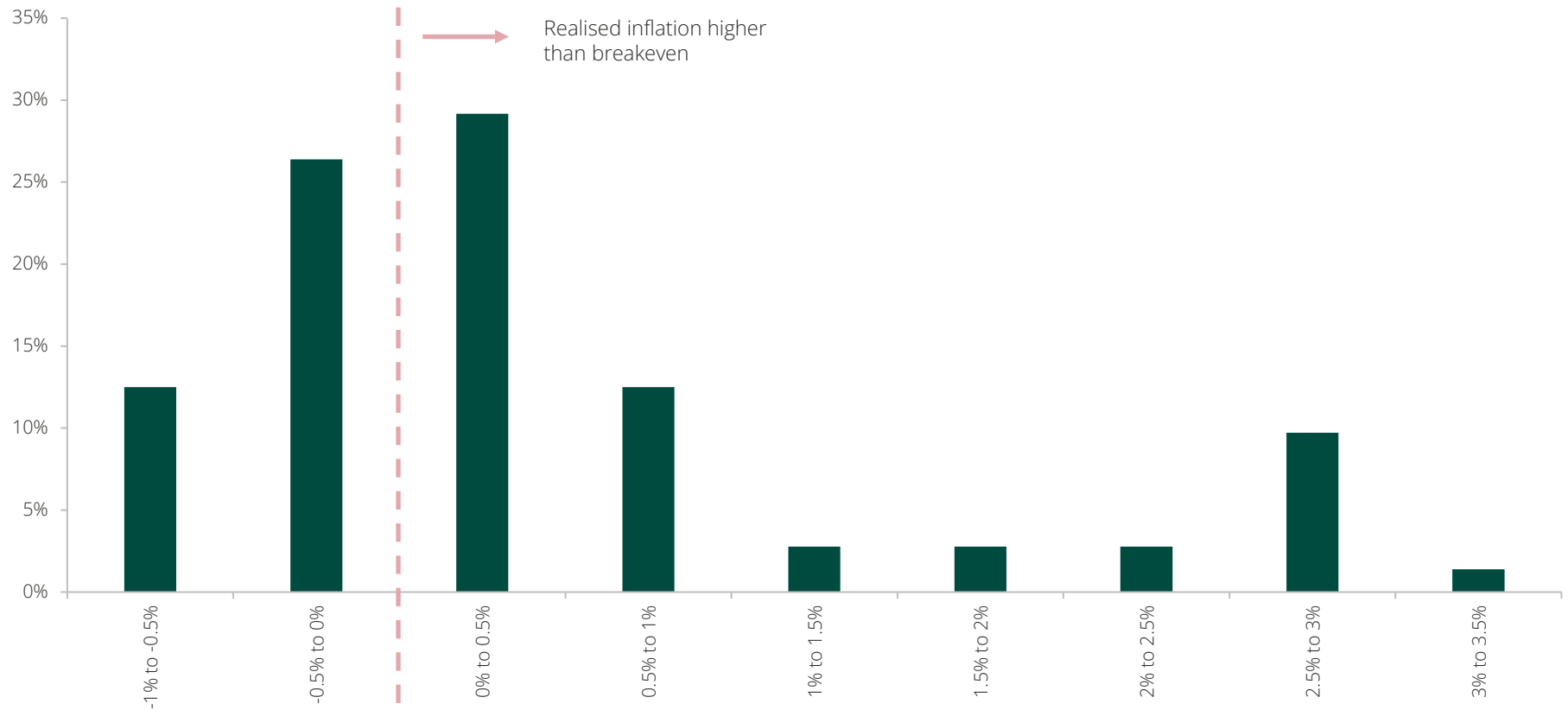


Source: Bloomberg Finance L.P.

Why index-linked?

Realised inflation has been higher than market-implied expectations

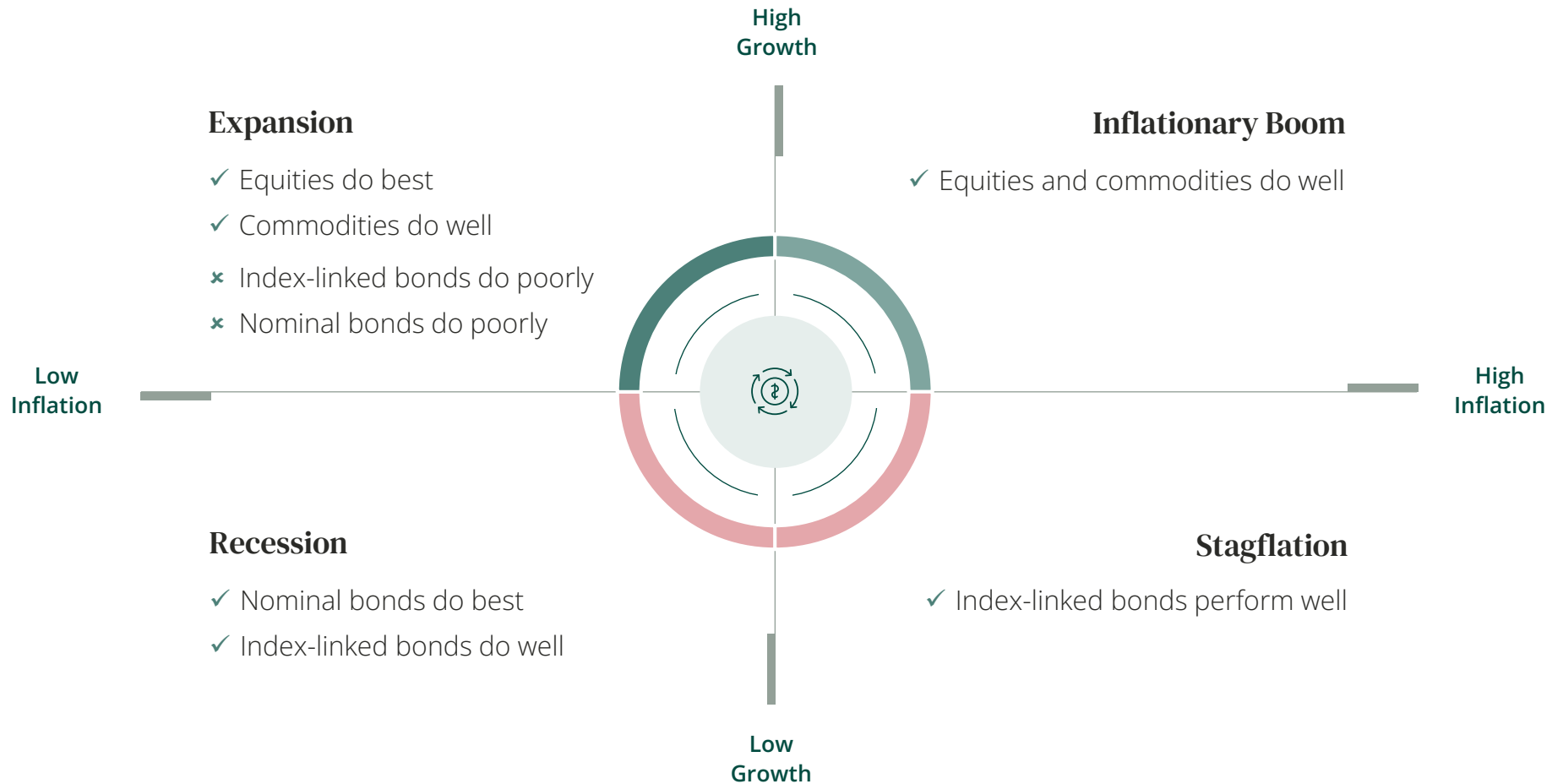
Difference between UK 5Y Breakeven and subsequent realised inflation (% annualised)



Source: Bloomberg Finance LP.

Why index-linked?

Index-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 Fixed Income 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	

IR@cgasset.com

+44 20 3906 1643

20 King Street, London, EC2V 8EG

www.cgasset.com

cgam