



Equities generally enjoyed a positive period during the second quarter of 2024, as continued economic strength and further disinflationary progress were absorbed positively. Within the UK, CPI inflation had a 2 on it for the first time since summer of 2021, before subsequently reaching the Bank of England’s 2% target for May, pushing UK markets on, with the large cap FTSE 100 reaching new highs. This was also a factor in prompting the former prime minister, Rishi Sunak, to call a general election on the 4th of July. A softer finish to the quarter followed, as markets anticipated the election to push back any imminent interest rate cuts. Despite this slightly subdued finish, the our AIM Service returned 7.5% over Q2, while the ARC IHT Index returned 4.7%.

An ever-present theme in the smaller companies space over the past couple of years has been takeover activity. The second quarter of the year was no different, as another company within the our AIM service was bid for, namely Alpha Financial Markets Consulting. Bridgepoint Advisers were the bidding party and, after the rumours were confirmed in May that discussions were ongoing, a couple of extensions to the deadline later, a cash offer was confirmed in mid-June at a premium of roughly 50% to the pre offer period share price.

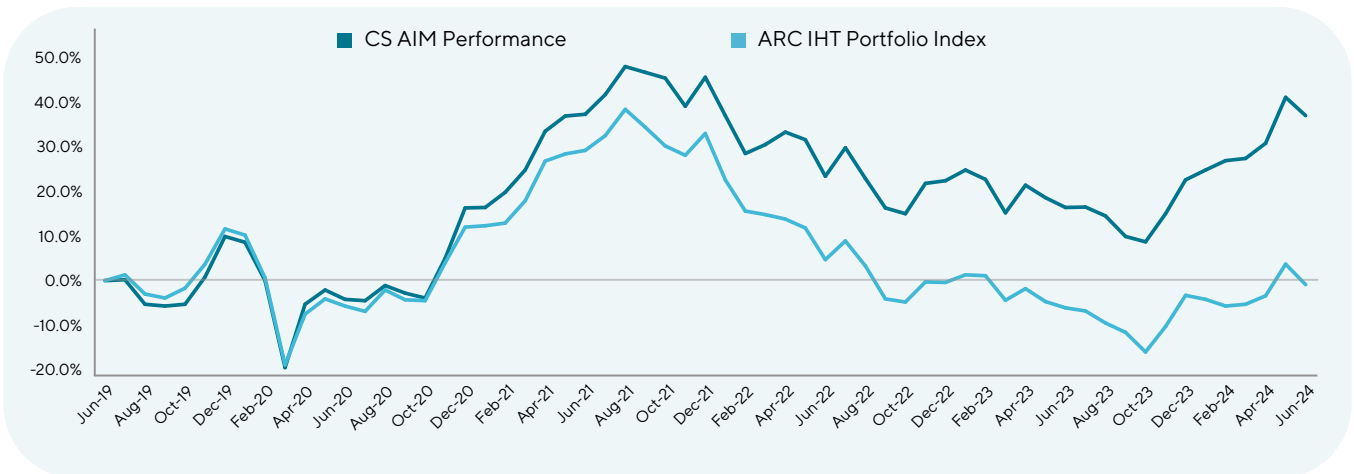
Renew Holdings was another strong performer over the period as the company announced strong half year results, reaffirming market expectations for the full year. The company also announced a couple of acquisitions over the quarter, the second of these, Excalon, is particularly encouraging as it opens a new end market in electricity transmission and distribution. We attended the company’s capital markets day in June held at its subsidiary QTS’s site in Strathaven. The visit really

highlighted the expertise across the group, as well as some of the exciting opportunities resulting from planned spending increases by regional water providers and Network Rail over the coming years.

One of the few weak performers over the quarter was Next Fifteen Group. The company’s AGM trading statement struck a cautious tone and flagged that results were likely to be second half weighted, which investors and brokers have interpreted as a downgrade to full year earnings expectations despite management reaffirming profit expectations for the full year.

Following a strong period of performance over the past 9 months, with the AIM service returning approximately 25%, we are optimistic that the current level of valuations, coupled with earnings prospects, leaves a solid runway for further growth.

CS Investment Managers AIM Discretionary Clients Performance (net of fees)

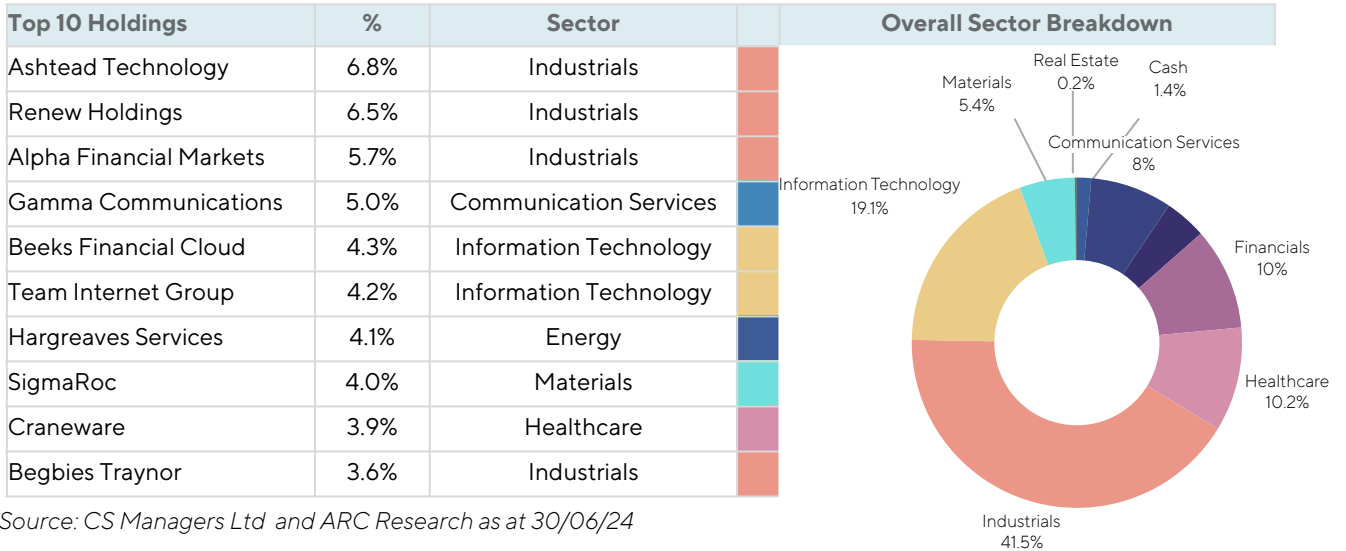


Total Return	CS AIM	ARC IHT Portfolio Index
3 Months	7.5%	4.7%
1 Year	17.8%	5.6%
3 Years	-0.2%	-23.3%
5 Years	37.0%	-0.9%

CS AIM	ARC IHT Portfolio Index
Monthly Volatility 5.4%	Monthly Volatility 5.2%



Asset Allocation



Source: CS Managers Ltd and ARC Research as at 30/06/24

Performance from 31 Dec 2010 – 30 Sept 2022 is drawn from stylised aggregate portfolios constructed from the discretionary portfolios managed by CS Investment Managers. The figures were calculated on a monthly basis, net of fees and other charges and adjusted for contributions and withdrawals. From 1 October 2022, performance figures are drawn from a composite group of non-constrained discretionary portfolios managed by CS Investment Managers under an AIM investment strategy. These figures have been calculated net of fees and dealing costs and adjusted for contributions and withdrawals. Performance of individual portfolios may vary due to factors such as the portfolio size, stock selection and timing of investment transactions.

ARC IHT Portfolio Index is a Sterling denominated index compiled by ARC Research (ARC) to be used by investors and their advisers in assessing the performance of a discretionary portfolio within a specialist mandate designed to mitigate IHT liability through investment in stocks that are expected to qualify for Business Property Relief. The ARC IHT Portfolio Indices provide insight into the actual returns being generated by discretionary IHT portfolios, net of fees, based on thousands of Sterling denominated IHT portfolios submitted by participating investment managers. No model or synthetic data used only actual IHT portfolio performance numbers are included in the calculation of the ARC IHT Portfolio Indices.

CONTACT

William Forsyth | Executive Chairman & CIO | Email: wforsyth@csmanagers.com
 CS Investment Managers, 43 Charlotte Square, Edinburgh, EH2 4HQ | Tel: 0131 624 7709 | www.csmanagers.com

IMPORTANT INFORMATION

CS Investment Managers is a trading name of CS Managers Ltd. CS Managers Ltd is authorised and regulated by the Financial Conduct Authority.

DISCLAIMERS & RISK WARNINGS

Opinions constitute our judgement as of this date and are subject to change without warning. This investment product may not be suitable for all investors. The value of investments, and the income from them, can go down as well as up, and investors may not recover the amount of their initial investment. Tax benefits and allowances described in this factsheet are based on current legislation and HM Revenue & Customs practice and depend on personal circumstances. These may change from time to time and are not guaranteed. Where an investment involves exposure to a foreign currency, changes in rates of exchange may cause the value of the investment, and the income from it, to go up or down. Past performance is not a reliable indicator of future results. Neither CS Managers Ltd, nor any connected party accepts responsibility for any direct or indirect or consequential loss suffered by you or any other person as a result of your acting, or deciding not to act, in reliance upon any information contained in this document. Before contemplating any transaction, you should consider whether you require advice from your Financial Adviser.

AIM Investments can be illiquid in nature and carry a higher degree of risk than other securities and are not, therefore, suitable for some investors. The AIM Portfolio should be regarded as a higher risk, long term investment managed on a discretionary basis. We would strongly recommend seeking independent tax and financial advice before taking any action.