

ALL WEATHER

QUARTER THREE | TWO THOUSAND AND TWENTY THREE



CS INVESTMENT MANAGERS

Global equities were generally weaker over the quarter as well as government bonds (prices move inversely to yields) as the 'higher for longer' story settled into markets. It was a strong quarter for value stocks (particularly non-US) as the MSCI Pacific Value, MSCI Europe Value, and MSCI Japan Value all outperformed their growth peers by at least 8% (in Sterling terms). This benefited holdings such as Lightman European and Man GLG Japan. On the latter, we mentioned last quarter that we were actively adding to Japan – which we did by introducing a new holding, in M&G Japan. Valuations look cheap relative to other developed markets and nearly a decade after the introduction of 'Abenomics', business growth looks to be building momentum.

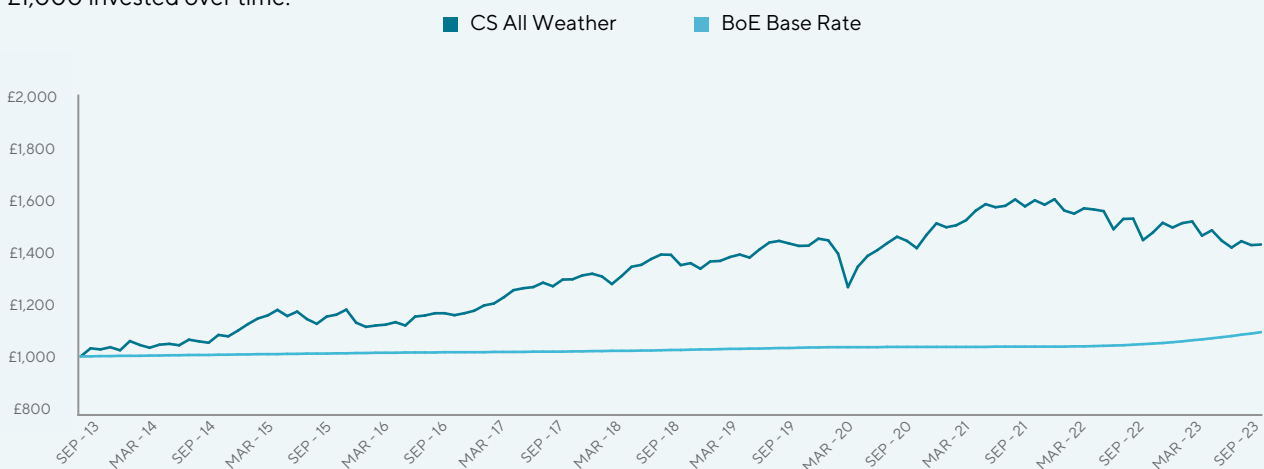
The energy sector was a beneficiary of the rising oil price over the quarter, and our position in Shell benefitted from supply side discipline from both OPEC and marginal US producers.

After trading around \$1920 for most of the quarter, gold disappointed in the last week, driven by an increase in the US real yield (the treasury yield minus inflation). As gold does not pay an income, investors have moved away from it to lock in real yields of over 2% in the US. Latterly, it has picked up from its low of \$1820 as investors have sought out safe haven assets in light of the escalating conflict in Israel. Looking further ahead, as real yields start to reduce, we expect that to be a better environment for the yellow metal.

As we enter the final quarter, attention turns to the continued fight against inflation, and we expect that markets will be pleasantly surprised by the December reading for CPI in the UK. While we expect bond yields to move lower in 12 months, we feel that staying shorter duration is prudent, while current pressures play out before extending the duration in our fixed income exposure.

Performance

£1,000 invested over time:



Source: Reuters Eikon, CS Managers Ltd and Bank of England. Data as at 30/09/2023



ALL WEATHER QUARTERLY REVIEW

QUARTER THREE | TWO THOUSAND AND TWENTY THREE

Total Return	CS All Weather	Bank Of England Base Rate
3 Months	0.82%	1.26%
1 Year	-1.15%	4.03%
3 Years	-0.87%	4.95%
5 Years	2.72%	6.15%
Inception	75.14%	10.58%

Asset Allocation

Top 10 Holdings	%	Sector	Overall Sector Breakdown
UK(GOVT OF) IDX/LKD SNR 22/03/2024	9.1%	Fixed Income	<p>Other Assets 15.5%</p> <p>Cash 11.2%</p> <p>Fixed Income 23.9%</p> <p>Equities 49.4%</p>
Dodge & Cox US Stock Fund	6.8%	Equities	
JPM US Research Enhanced	4.7%	Equities	
Lightman European	4.6%	Equities	
BH Macro	4.2%	Other Assets	
Schroder Strategic Credit	3.9%	Fixed Income	
Fundsmith Equity	3.8%	Equities	
Wisdomtree Physical Gold	3.7%	Other Assets	
EJF Investments 2025 ZDP	3.4%	Fixed Income	
Artemis UK Select	3.3%	Equities	

Source: CS Managers Ltd and Bank of England as at 30/09/23

Performance numbers are indicative. Performance from 31 Dec 2009 - 30 Sept 2018 is of The Thesis Charlotte Square Allweather Fund. From the 30 Sept 2018 to 31 March 2022, performance is shown of the CS Investment Managers All Weather strategy, net of underlying fund costs, management fee of 0.75% + VAT, and other ancillary and dealing costs. From 31 March 2022, performance figures are drawn from a composite group of non-constrained discretionary portfolios managed by CS Investment Managers under an All Weather investment strategy. These figures have been calculated net of fees and dealing costs and adjusted for contributions and withdrawals. Please note that the performance of individual portfolios may vary due to factors such as the portfolio size, stock selection and timing of investment transactions.

CONTACT

William Forsyth | Executive Chairman & CIO | Email: wforsyth@csmangers.com

CS Investment Managers, 43 Charlotte Square, Edinburgh, EH2 4HQ | Tel: 0131 624 7709 | www.csmangers.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. 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.