

# INCOME UPLIFT

QUARTER TWO | TWO THOUSAND AND TWENTY THREE



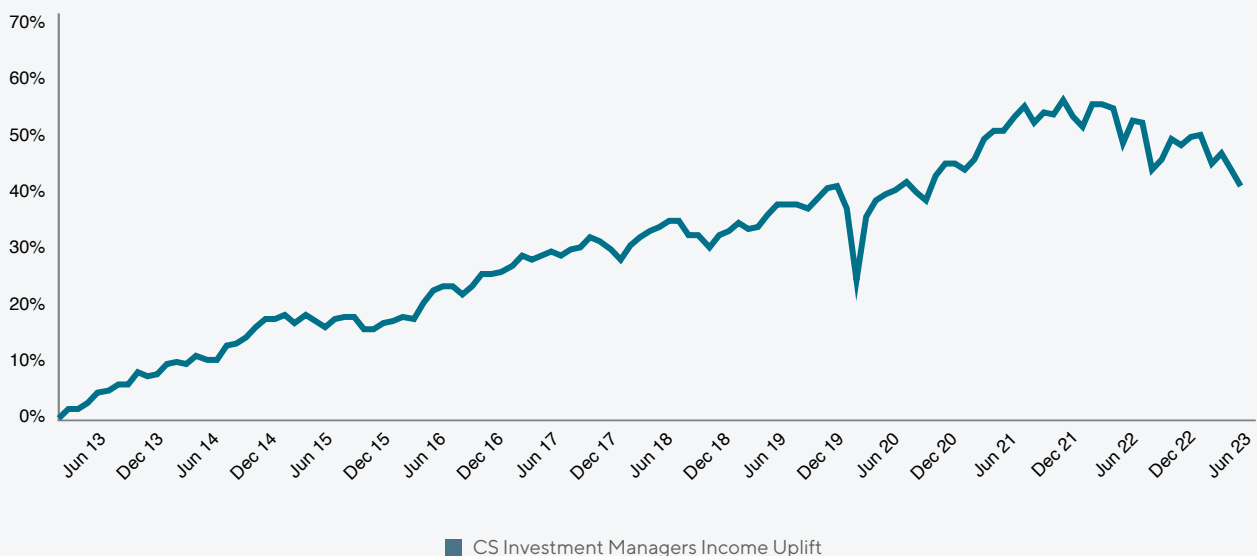
CS INVESTMENT MANAGERS

The second quarter of 2023 saw Government bond yields rise, although not uniformly, as the battle against high inflation readings across the world showed differing levels of success. In the US, a 'soft landing' i.e. a slowing down of growth that isn't harmful to economy, is beginning to look more likely. The US 10-year yield rose to 3.81% from 3.47% while the 2-year yield rose from 4.03% to 4.87%. In the UK, the severity of yield rises was much more noticeable, with the 10-year yield rising to 4.39% from 3.49% and the 2-year rising to 5.26% from 3.44%.

Focusing on the UK, the acceleration in bond yields came towards the end of May and into June, following stronger-than-expected UK jobs market numbers, wage growth and core inflation readings. This prompted the Bank of England to raise interest rates by 0.50%, rather than the 0.25% that was expected, as inflation in the UK showed signs of being more entrenched than countries such as the U.S. Whilst this benefitted Sterling modestly, it did hold back returns within UK equities against other overseas indices. Additionally, and more importantly for portfolio values, listed alternatives struggled over the month e.g REITs, infrastructure trusts, and global macro hedge fund investment trusts.

We believe that the disconnect between share prices and Net Asset Values (total assets minus total liabilities) in the asset classes mentioned above is now too big, and so we have carried out detailed research in these areas, concentrating on factors such as income coverage, strength of tenants, re-financing maturities and the costs associated with that. Looking at the current share prices, we believe that there is good upside, with many producing yields which are higher than those on offer through UK gilts and so, on a long-term view, offer capital growth prospects.

CS Investment Managers Income Uplift Performance (net of fees)



Source: CS Managers Ltd. Data as at 30/06/23



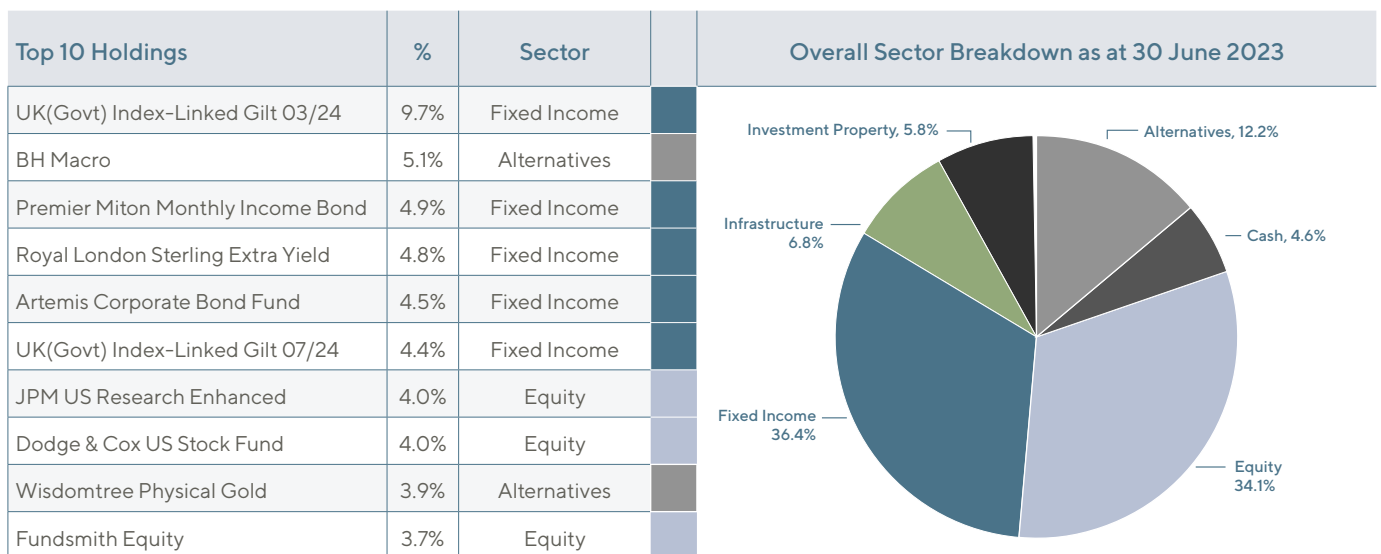
# INCOME UPLIFT QUARTERLY REVIEW

## QUARTER TWO | TWO THOUSAND AND TWENTY THREE

Total Return	CS Investment Managers Income Uplift Strategy Portfolio	UK CPI Inflation
3 Months	-2.92%	2.02%
1 Year	-5.35%	7.96%
3 Years	0.87%	21.09%
5 Years	6.04%	24.29%
Since 31/12/2010	62.43%	44.19%

Source: CS Managers Ltd and Office for National Statistics data as at 30/06/23

### Asset Allocation



Source: CS Managers Ltd as at 30/06/23

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 Income Uplift 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.

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### IMPORTANT INFORMATION

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