CHARLOTTE SQUARE
INVESTMENT MANAGERS

INCOME UPLIFT QUARTERLY REVIEW

QUARTER 3 | 2024

In Q3 2024, income-producing assets such as bonds, real estate investment trusts (REITs), and infrastructure investments provided strong performance, benefiting from a combination of macroeconomic factors, central bank policy shifts, and market dynamics. As global inflation pressures eased, central banks shifted their monetary policies towards easing, creating a favorable backdrop for assets that offer steady income.

As inflation cooled and recessionary fears loomed, central banks -including the Federal Reserve and the European Central Bank - shifted to a softer stance, cutting interest rates in a bid to support slowing economic growth. The Fed's rate cuts provided significant relief to fixed-income markets, leading to a rally in government bonds, particularly U.S. Treasuries. Long-duration bonds benefited the most, as declining interest rates boosted their prices. Corporate bonds also saw solid gains, supported by strong balance sheets in many sectors and relatively low default risk.

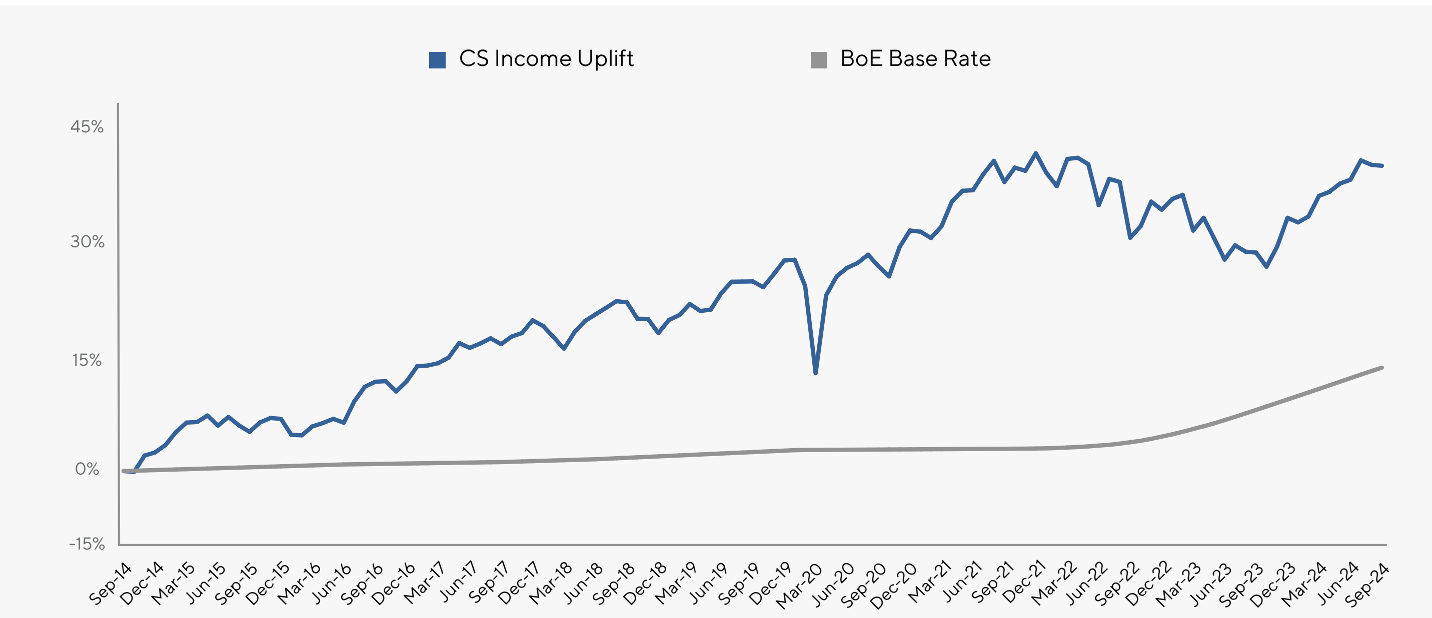
REITs and infrastructure assets experienced a robust recovery in Q3 as well. The lower-rate environment was a key driver of performance, easing financing costs in particular, and improving the appeal of real estate as an income-generating asset. This is further evidenced by some takeovers given the large discounts they trade at to their Net Asset Value, one of which we were invested in.

While upward yield pressure may come through in the short term this shows the potential total return over the next few years as base rates fall.

Amid geopolitical uncertainty, gold stood out as a key outperformer in Q3. Traditionally viewed as a safe-haven asset, gold benefited from ongoing geopolitical tensions between the U.S/China, Russia/Ukraine and Israel/Palestine.

Looking ahead, continued central bank actions and geopolitical developments will likely shape the market's direction combined with the recent US election. We remain defensively positioned within the portfolio with allocations to gold and medium duration bonds along with lower US technology exposure and core alternative assets.

Charlotte Square Investment Managers Income Uplift Performance (net of fees)



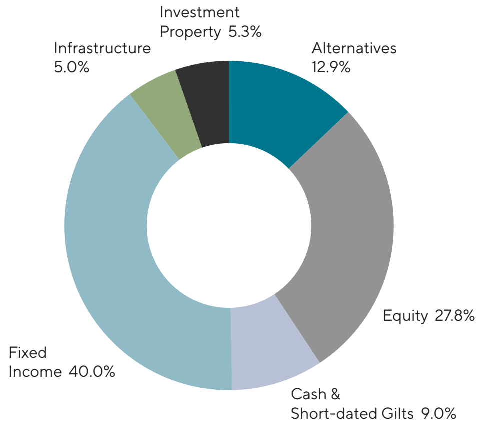
Source: CS Managers Ltd and Bank of England as at 30/09/24

TOTAL RETURN	CHARLOTTE SQUARE INCOME UPLIFT	UK BOE BASE RATE
3 months	1.34%	1.29%
1 year	8.96%	5.23%
3 years	1.56%	10.33%
5 years	12.30%	10.87%
Since 31/12/2010	78.25%	15.79%

Asset Allocation

Top 10 Holdings	%	Sector
Pictet Strategic Credit Fund GBP	6.22%	Fixed Income
Artemis Corporate Bond Fund	5.92%	Fixed Income
Premier Miton Monthly Income Bond Fund	5.90%	Fixed Income
JPM US Research Enhanced Index Equity	5.15%	Equity
UK(Govt) Index-Linked Gilt 01/28	5.09%	Fixed Income
iShares USD TIPS 0-5 Years	4.89%	Fixed Income
ISHARES II PLC USD TSY BD 7-10	4.79%	Fixed Income
UK(Govt) Index-Linked Gilt 01/25	4.77%	Cash and Short-dated Gilts
Wisdomtree Physical Gold	4.63%	Alternatives
BH Macro Limited	4.00%	Alternatives

Overall Sector Breakdown



Performance from 31 Dec 2010 – 30 Sept 2022 is drawn from stylised aggregate portfolios constructed from the discretionary portfolios managed by Charlotte Square Investment Managers. The figures were calculated on a monthly basis, net of fees and other charges and adjustedfor contributions and withdrawals. From 1 October 2022, performance figures are drawn from a composite group of non-constrained discretionary portfolios managed by Charlotte Square 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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