

INCOME UPLIFT

QUARTER FOUR | TWO THOUSAND AND TWENTY THREE



CS INVESTMENT MANAGERS

Expectations of interest rate cuts made the final quarter of the year a positive one for equity and fixed income markets. The “higher for longer” rhetoric which had been at the forefront for most of the quarter weakened as Central Banks appeared to soften their stance to prospective interest rate cuts.

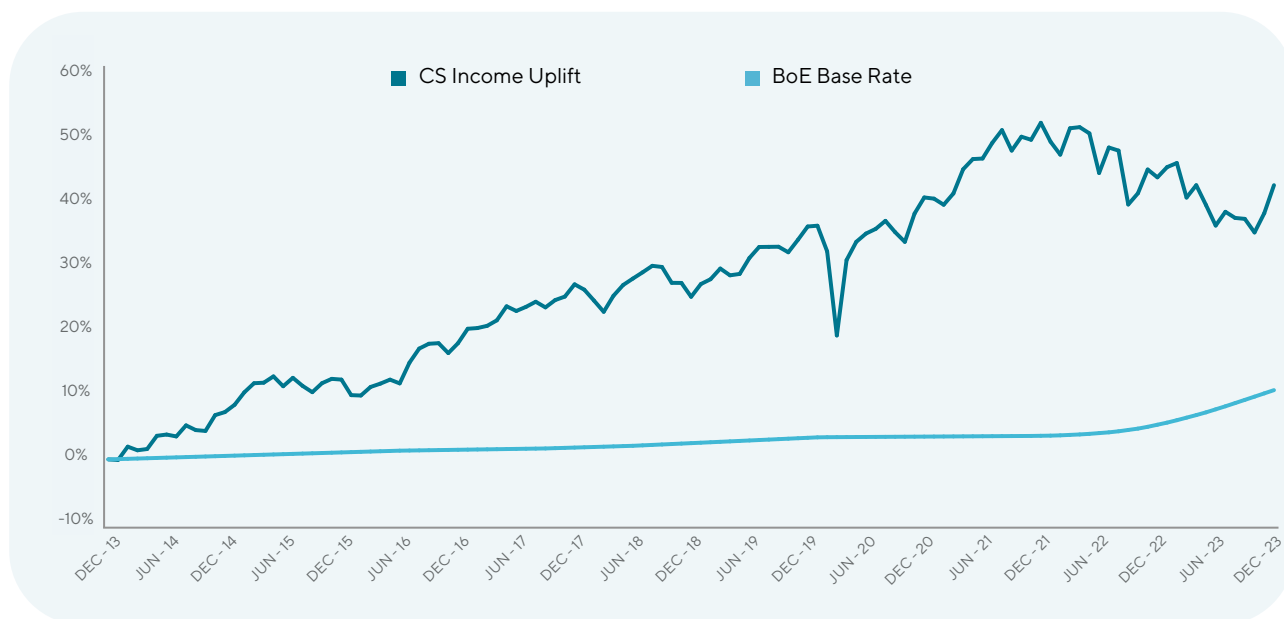
As interest rates and inflation expectations decreased, along with the real interest rate (interest rate minus inflation), the gold price enjoyed a welcome lift. The emergence of Bitcoin in the last few years has detracted the appeal of gold somewhat, but its ‘safe haven’ characteristics were a particular draw for investors as the conflict in the Middle East unfolded. Despite being interest rate sensitive, we believe that gold should continue to contribute positively to portfolios over the next 12 months.

Another beneficiary to lower long-term yields were property and infrastructure assets which, in general, experienced a tough 2023. While they continued to pay their stated dividends over the year, Net Assets Values dropped between January and September. However, many of our

holdings performed well between October and December; with the likes of Urban Logistics & LXI REIT returning double digits and Greencoat UK Wind, Impact Healthcare & BBGI returning high single digits.

Lastly, longer duration bonds (bonds that mature further into the future) also performed well and Artemis Corporate Bond was no exception. The fund manager recently said that while they expected strong returns over the coming 12 months, some of that has come quicker than expected. Fundamentally 2024 should be a strong year for bonds and we agree that over the year, we should see bond prices end the year higher than they started.

CS Investment Managers Income Uplift Performance (net of fees)



Source: CS Managers Ltd and Bank of England as at 31/12/23



INCOME UPLIFT QUARTERLY REVIEW

QUARTER FOUR | TWO THOUSAND AND TWENTY THREE

Total Return	CS Income Uplift	Bank of England Base Rate
3 Months	3.59%	1.28%
1 Year	-0.80%	4.64%
3 Years	1.28%	6.26%
5 Years	12.98%	7.31%
Since 31/12/2010	69.47%	11.44%

Source: CS Managers Ltd and Bank of England data as at 31/12/23

Asset Allocation

Top 10 Holdings	%	Sector	Overall Sector Breakdown
UK(Govt) Index-Linked Gilt 03/24	9.68%	Fixed Income	
JPM US Research Enhanced	6.11%	Equity	
Premier Miton Monthly Income Bond Fund	4.95%	Fixed Income	
BH Macro	4.78%	Alternatives	
Artemis Corporate Bond Fund	4.77%	Fixed Income	
Royal London Sterling Extra Yield	4.62%	Fixed Income	
UK(Govt) Index-Linked Gilt 07/24	4.46%	Fixed Income	
Dodge & Cox US Stock Fund	4.21%	Fixed Income	
Wisdomtree Physical Gold	4.12%	Alternatives	
Schroder Strategic Credit	3.72%	Fixed Income	

Source: CS Managers Ltd as at 31/12/23

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.

CONTACT

William Forsyth | Executive Chairman & CIO | Email: wforstyth@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.