



# INCOME UPLIFT QUARTERLY REVIEW

As at 31st December 2024

Throughout Quarter 4 2024, both the UK and US bond markets faced rising yields, primarily due to concerns over persistent inflation and the cautious approach of central banks towards rate cuts. In the UK, the Bank of England implemented a 25-basis point rate (0.25%) cut in November, bringing the base rate to 4.75%, but maintained a gradual approach due to sticky core inflation. In the US, the Federal Reserve reduced interest rates by 50 basis points (0.50%) in September, marking the first cut in four years, but remained cautious in its monetary policy stance. Despite these cuts, 10-year bond yields rose over the quarter where in the UK the 10 year yield started at 4.01% and finished at 4.68% and across the pond in the US, the 10 year yield finished at 4.59% after starting the quarter at 3.8%.

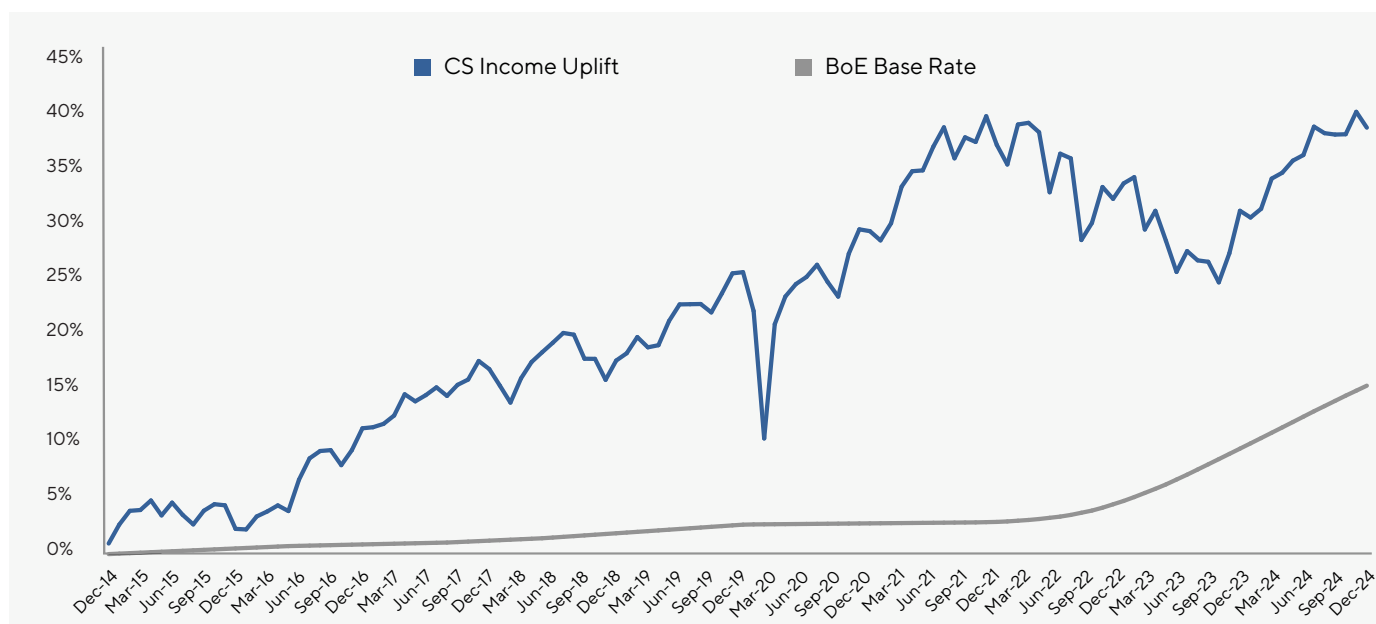
Long duration assets such as long dated bonds and some infrastructure assets felt the effect of these moves most as they saw asset values move lower but short dated bonds, where we have more of our exposure, were less impacted.

In terms of portfolio changes, it was mostly on the equity side where we switched GSK for Tesco, given the latter's strong market position, which it continues to build on. At a time when other members of the 'Big 4' are struggling with elevated debt servicing costs placing pressure on their margins and operating flexibility, and the 'discounters' having fairly slim margins by nature, Tesco is well placed to compete on price and offer significant value to

customers, and indeed has the lowest priced offering of the 'Big 4' supermarkets.

Elsewhere, we believe the 'broadening out' trade, with profit taking in the Magnificent Seven being reinvested in a broader section of the market, will continue, based on the significant valuation gap that now exists between mega cap companies and their much less expensive smaller cap competitors. We bought the Hermes US Smid fund to capitalise on that, with companies in this area of the market showing similar earnings growth but trading on much lower price levels. This is attractive in the current market.

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

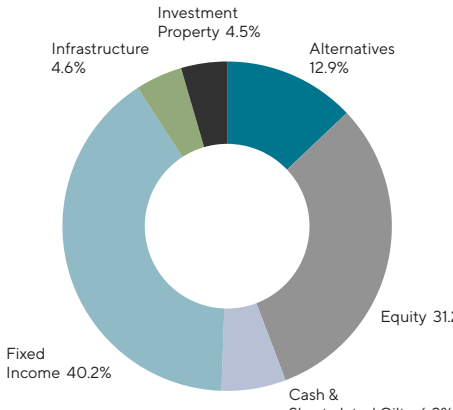


Source: CS Managers Ltd and Bank of England as at 31/12/24

TOTAL RETURN	CHARLOTTE SQUARE INCOME UPLIFT	UK BOE BASE RATE
3 Months	0.45%	1.20%
1 Year	5.65%	5.15%
3 Years	-0.73%	11.62%
5 Years	10.34%	11.99%
Since 31/12/2010	79.04%	17.18%

Source: CS Managers Ltd and Bank of England data as at 31/12/24.

Asset Allocation

Top 10 Holdings	%	Sector	Overall Sector Breakdown
Pictet Strategic Credit Fund GBP	6.11%	Fixed Income	
Premier Miton Monthly Income Bond Fund	6.07%	Fixed Income	
Artemis Corporate Bond Fund	5.97%	Fixed Income	
JPM US Research Enhanced Index Equity	5.56%	Equity	
UK(Govt) Index-Linked Gilt 01/28	5.07%	Fixed Income	
ISHARES II PLC USD TSY BD 7-10	4.87%	Fixed Income	
iShares USD TIPS 0-5 Years	4.82%	Fixed Income	
Wisdomtree Physical Gold	4.57%	Alternatives	
BH Macro Limited	4.36%	Alternatives	
Artemis UK Select Fund	4.33%	Equity	

Source: CS Managers Ltd as at 31/12/24.

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 adjusted for 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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