



CS INVESTMENT
MANAGERS



CS Investment Managers is an independent,
owner managed investment firm.

WELCOME TO CS INVESTMENT MANAGERS

Based in the heart of Edinburgh's financial centre, we offer a wide range of investment management services for private clients, trusts, pension schemes, corporate funds and charities.

We have been doing this successfully since 2003 and our aim is the same now as it was then: to deliver optimum performance for our clients' portfolios - in a friendly, professional way.

We find our clients resonate with our willingness to engage with a changing investment climate, and to act promptly to assess emerging value in different asset classes and geographies. Our team prides itself on delivering a highly personal and professional service to all our clients.

The philosophy of the firm feeds through into the investment solutions that we offer, based on a common sense approach to managing money at every level.

Our experience and expertise allow us to explore a wide investment universe across multiple asset classes - delivered in a clear, thoughtful and actionable way. Our performance track record across the product range is strong, underpinned by a disciplined investment process.

This has allowed us to build a loyal client following, but we never take this for granted. We continue to strive for ways to improve the level of service and investment offerings we deliver for our clients - whether in our bespoke portfolios or our dedicated investment strategies.

We have enjoyed long and successful partnerships with our clients' IFAs and other professional advisers.

We believe we can add value to that primary relationship by including our expertise in discretionary investment management in the overall financial proposition.

WHAT WE CAN DO FOR YOU

We undertake a full range of private client investment management, and we cover a wide spectrum of the risk range, supplementing scope with absolute return funds.

In addition, we have particular expertise in:

- **Pension fund management**
- **Tax exempt investing in general**
- **Income generating portfolios**
- **AIM investment**
- **All Weather multi asset investing**

Our main service offerings are built around these investment portfolio selections;

CUSTOM BUILT

Our core service creates individually tailored portfolio solutions that look for the optimum balance in the range of asset classes and individual stock selection. These multi-asset portfolios provide flexibility and cater for clients' specific circumstances and needs across the risk spectrum – within a robust risk framework.

DEDICATED STRATEGIES

We also offer three distinct portfolio strategies for clients who wish a focus that suits their circumstances at a particular stage in their lives.

- **Income Uplift** with the twin objectives of generating a steady income stream with lower levels of volatility.
- **All Weather** with a capital preservation focus that seeks to deliver positive real returns with greater diversification than a traditional equity portfolio may offer.
- **AIM** with an emphasis on targeting capital growth and optimising available tax benefits.

Access to the investment offerings is varied across tax wrappers that include: General Investment Accounts (GIA), SIPP, ISAs and Offshore Bonds.

If you already have professional financial or tax advisers, we believe we can add value to that relationship so that you can feel confident that your investment strategy is in line with your wider financial planning needs.

WHAT IS IMPORTANT TO YOU

We recognise the trust you are placing in us to manage your funds, and how important it is to have ease of communication with your investment manager. We also offer direct access to your data 24/7 via the online portal on our website.

We are driven by our primary motivation, which is to act in your best interests.

And that is where we start – with **you**.

Our key principles are based on:

- listening to what you tell us about your aims and objectives;
- undertaking a full risk assessment to understand your particular risk profile;
- keeping you informed on an ongoing basis as to how your assets are being looked after;
- looking for ways to provide value for money by keeping a focus on costs and charges;
- adapting our strategy as your needs evolve over the different stages of your life;
- being responsive to changes in the economic and market backdrop;
- delivering a high level of personal service in a professional manner.





OUR INVESTMENT PHILOSOPHY

Our principles for investing are based on a long term investment outlook. We focus on those investments likely to deliver real (greater than inflation) risk adjusted returns across the investment cycle.

Our investment philosophy drives the investment process. The decisions we arrive at must (above all) make sense, based on academic rigour and extensive investment experience.

At the individual investor level, we adopt a broad and diversified approach to achieve the right investment blend for each investor.

We actively manage the portfolios in our care, keeping a close eye on the downside risk. At the same time, we interpret those areas where value can be found by adopting both a strategic and tactical asset allocation approach. The latter is designed to fine tune strategy as the investment climate changes.

We believe in global asset allocation as a key driver of returns. We may sometimes choose to include index funds to achieve diversification and cost reduction.

We will also consider an allocation to alternative investments to increase diversification, particularly in volatile times.

Once we have our global framework in place, we believe we can add further value through careful stock selection.

We appreciate that, for many clients, their reasons for investing include a wish to preserve the real value of their capital. Building and preserving wealth can span a lifetime. We believe clients need an investment strategy that is flexible enough for the longer term to offer the best returns in differing market conditions.



OUR INVESTMENT PROCESS

Our investment process is based on rigorous research for both asset allocation and security selection. Essentially, the investment selection process is research driven and analyses the key quantitative and qualitative factors across individual investments within the different asset classes.

Our investment process feeds through all client portfolios – from initial construction to ongoing monitoring. It is well founded, clear and consistent in its use.

These are the five pillars to our investment process that our clients can expect from us:



Each of these key components are detailed further below:

1. ESTABLISH CLIENT NEEDS

The starting point is always to obtain a clear understanding of the individual client circumstances, goals and risk preferences in order to construct

suitable investment strategies. It is our job to make informed decisions based around a client’s time horizon, income requirements, capacity to absorb losses and level of comfort investing in financial markets – and to communicate these issues in a straightforward manner.

2. INVESTMENT RESEARCH

The research process is multi-faceted, and includes three key areas:

- Macro: What is going on in the world?
- Asset Allocation: How does that translate into sensible diversification?
- Stock level selection: What investments do we populate the portfolio with, in line with your investment mandate to us?

We consider a wide investment universe across a range of asset classes, including: property, income generating assets, hedge funds, absolute return funds and commodities, as well as conventional equity and fixed interest investments.

We operate a recommended list of stocks and collective funds on which we have conducted diligence. The securities on this list will then form the building blocks of client portfolios.

3. ASSET ALLOCATION STRATEGY

It is our belief, substantiated by sound academic theory, that asset allocation accounts for the lion's share of a portfolio's return. This has led us to focus on a disciplined asset allocation investment strategy. There are two key components of this:

- Strategic asset allocation: Our long term asset allocation for your portfolio.
- Tactical asset allocation: Short term deviation from the strategic asset allocation, based on your specific requirements and our current view on markets.

The end result is well considered asset allocation that is then populated by suitable holdings.

4. PORTFOLIO CONSTRUCTION

In constructing any portfolio, we assess the risk element in both the defensive and growth parts of the portfolio, in order to match as closely as possible to the client's risk return profile and individual investment objectives.

We understand that investments in a single asset class will not outperform under all market conditions. Therefore, we diversify portfolios across a broad range of asset classes, geographies, sectors and holdings, as we believe this approach is the best way to reduce risk and deliver more consistent returns.

5. MONITORING AND REVIEW

We adopt an active management approach because we are always aware of the changing investment climate, and the attractions of different geographical areas. We also take action when we see relative value emerge, for example between bonds and equities as economies either expand or contract.

We regularly review portfolios and continually monitor the suitability of the underlying holdings. For our managed portfolios, performance checks will be undertaken on a regular basis, and benchmarked against the index closest to the client's risk return profile.

We will rebalance portfolios if they start to deviate from the asset allocation decision or from the stated objectives and suitability requirements.

This is an important part of our risk controls.



CUSTOM BUILT PORTFOLIOS

For those clients who are looking for flexibility rather than a single dominant strategy, we create tailored portfolios that can be adapted to the particular complexities of their circumstances.

These portfolios are designed to evolve across a wide investment spectrum and within a robust risk framework.

Using the investment process described, we create a portfolio dedicated to your requirements.

We take into account the reasons you may have chosen to invest money and reflect that in our recommendations. For example, your aim may be to:

- maintain the purchasing power of your money
- generate an enhanced income stream
- diversify away from other sources of income e.g. property
- intergenerational wealth accretion
- capital growth
- tax friendly (e.g. SIPP, ISA and AIM IHT) investments.

Whether it is these or another goal you may have in mind, we are here to help create that solution.

HOW DOES IT WORK?

We will spend time with you to discuss your current circumstances and your investment priorities. We will identify what risk you are willing, and able, to take to achieve your goals. We will be honest with you in terms of the risks involved as well as being fully transparent on costs. We will then prepare a tailored portfolio proposal for you to consider.

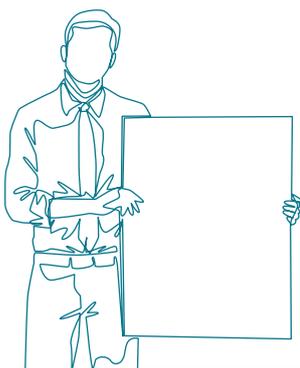
We will manage your portfolio in line with your stated objectives and risk appetite, either of which can be adapted at any time as required, and keep you regularly updated on progress.

To discuss how you could benefit from an individually tailored portfolio, please contact us:

E: investments@csmanagers.com

T: 0131 624 7709

A: CS Investment Managers
43 Charlotte Square
Edinburgh EH2 4HQ





STRATEGY PORTFOLIOS

For other clients who may have a particular focus, we have three dedicated strategy portfolios, with a strong performance track record, that have been designed to cater for key investor requirements.

Our strategy portfolios have track records spanning up to 10 years and cover a range of objectives. For each of the strategy portfolios, we provide a quarterly update on asset allocation and portfolio positioning, with a broader market commentary.

We will discuss with you in detail at the outset your immediate and longer term goals, and how your particular circumstances would best be met. Our recommended strategy will reflect these needs and objectives in addition to what you tell us about your attitude to risk and your capacity for loss.

OUR APPROACH

We adopt a more concentrated approach than for the multi - asset portfolios. This means that we focus on optimising one strategy, with the outcome you are looking for at the core of our thinking on portfolio construction.

The portfolio strategies we offer are as follows:

- **Income Uplift Portfolio**
Our Income Uplift portfolios seek to generate an improved steady income stream from a diversified portfolio of assets with a focus on capital stability.
- **All Weather Portfolio**
Our All Weather portfolios seek to protect the real value of investors' capital and increase it over time and, in so doing, with lower volatility than pure equity investing.
- **Alternative Investment Market (AIM) Portfolio**
Our AIM portfolio service is designed to target capital growth and, for eligible investors, mitigate inheritance tax by investing in qualifying investments in a diversified portfolio of companies listed on AIM.

INCOME UPLIFT PORTFOLIO

Our Income Uplift portfolio strategy seeks to generate an income focused real return over the medium to long term from a diversified portfolio of assets.

RISK PROFILE & OBJECTIVES



OVERVIEW

Generating an income from your capital has become more challenging in recent years, as interest rates have remained near zero. The knock-on effect for savers has meant little to no returns on their capital in bank accounts or similar saving vehicles.

We launched our Income Uplift Portfolio service in 2010 to help cater for investor needs in this area. This has demonstrated that, with a level of risk acceptable to the investor, an improved level of income can be achieved, which helps investors to maintain the purchasing power of their money.

A range of investments are used in the overall portfolio construction - largely from income producing assets. Equities are likely to be around 25% of the portfolio, with other assets including: Bond, Infrastructure and Investment Property Funds; Commodity Funds; and Alternative Investment Funds.

WHO COULD OUR INCOME UPLIFT PORTFOLIO SUIT?

Our Income Uplift portfolio service is suitable for those investors who are looking for:

- a steady income in excess of current deposit rates;
- income drawdown;
- an element of inflation protection;
- greater diversity than a traditional income producing bond.
- targeted lower volatility

For example, investing for income might be suitable for those who are in, or near retirement, as well as those investors who wish to have a lower risk approach that is focused more on income generation than capital growth.

ALL WEATHER PORTFOLIO

Our All Weather portfolio strategy seeks to protect the real value of investors' capital and increase it over the longer term, and with lower volatility than in pure equity investing. Returns are expected to come from both income and capital to produce an overall total return.

RISK PROFILE & OBJECTIVES



OVERVIEW

We understand clients often seek to reduce the impact of volatility inherent in financial markets, for greater certainty of positive returns independent of market cycles. The bedrock of our All Weather investment strategy is solid, dependable asset allocation, that seeks to strike a balance between investments that should perform well when financial markets are favourable, and those that provide shelter during market downturns.

The strategy differs from a traditional equity/bond portfolio in that it aims to avoid a disproportionate high risk in any one asset class. A traditional portfolio has much of the risk focused in equities, whereas All Weather is more balanced, with an asset mix that seeks to provide a smoother return profile over time.

Our All Weather strategy has a long track record of delivering stable returns for clients.

WHO COULD OUR ALL WEATHER PORTFOLIO SUIT?

Our All Weather strategy aims to cater for those investors who are looking over the long term for:

- returns in excess of cash deposits
- inflation protection
- capital preservation focus
- the long-term compounding of capital growth
- greater diversification than offered by a traditional equity/bond portfolio.

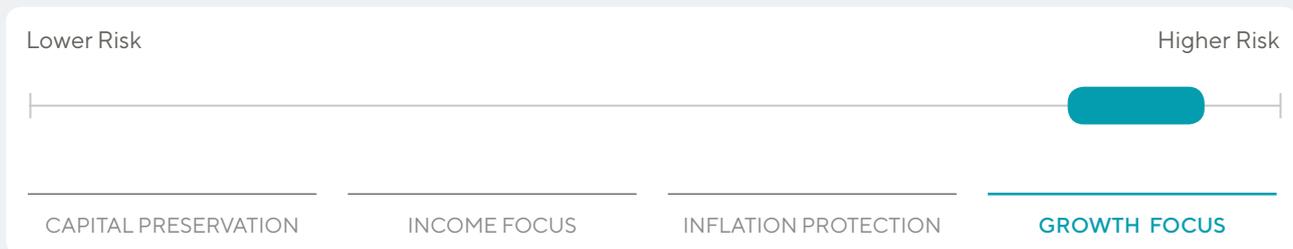




ALTERNATIVE INVESTMENT MARKET (AIM) PORTFOLIO

Our AIM portfolio service is designed to target capital growth and, where the relevant conditions are met, mitigate inheritance tax by investing in a diversified portfolio of companies listed on AIM.

RISK PROFILE & OBJECTIVES



OVERVIEW

We have been using our expertise in investing in the Alternative Investment Market (AIM) and other small company stocks for many years now and have created a strong track record in these areas. The AIM market features a wide range of participants from venture capital backed start-ups to mature smaller businesses, well established in their industry sector.

As one of the world's most successful growth markets, it can offer an opportunity for investors with an appetite for capital growth in the smaller company marketplace. It also allows private investors to benefit from a uniquely favourable set of tax breaks, which have the effect of reducing Inheritance Tax (IHT) liability on qualifying investments in AIM (subject to HMRC approval and our understanding of current legislation).

WHO COULD AN AIM PORTFOLIO SUIT?

Typically, this type of investment appeals to investors who wish to use the current favourable tax

treatment of AIM stocks to supplement their existing investment or IHT strategies.

It may also be suitable for investors targeting capital growth over the medium to long term (5+ years) and who have a risk appetite suited to the smaller companies' marketplace.

However, it is not suitable for all investors due to the higher risk characteristics of this type of investment, which tend to be more volatile and less liquid.

If you are considering this type of investment, therefore, please read our separate AIM Brochure for important information and answers to key questions to be considered before proceeding further. We always recommend intending investors seek specialist advice as to the suitability of, and need for, an investment in AIM.

CONTACT US

If you would like any more information on any of our services and how we might be able to help you, please get in touch as below:

ADDRESS

CS Investment Managers
43 Charlotte Square
Edinburgh
EH2 4HQ

TELEPHONE

0131 624 7709

EMAIL

investments@csmangers.com

WEBSITE

www.csmangers.com

RISK WARNINGS

The information in this document is not intended as an offer or solicitation to buy or sell securities or any other investment or product, nor does it constitute a personal recommendation. The value of investments, and the income from them, can go down as well as up, and you may not recover the amount of your initial investment. Tax benefits and allowances described in this document are based on current legislation and HM Revenue and 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, CS Investment Managers, nor any connected company 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.

CS Investment Managers is a trade name of CS Managers Ltd, 43 Charlotte Square, Edinburgh EH2 4HQ.
CS Managers Ltd is authorised and regulated by the Financial Conduct Authority. Registered in Scotland
SC231678. Registered Office Edinburgh Quay, 133 Fountainbridge, Edinburgh EH3 9BA



CS INVESTMENT MANAGERS

43 Charlotte Square
Edinburgh EH2 4HQ

T. 0131 624 7709
investments@csmanagers.com

www.csmanagers.com