

Both equity and bond markets recovered ground over the final quarter of 2022, ending a year that many market participants would like to (but will struggle to) forget. Equity markets that benefitted from inflation readings lower than anticipated across major global economies with hopes, this would limit future interest rate increases. Asian markets, in particular, benefitted from the relaxation of China's zero-Covid policy while bond markets rose from lows in September, as yields retracted following spikes, post 'mini budget'. The All Weather service delivered a return of 3.1% over the period against this backdrop.

The holding in the Lightman European Fund was the largest contributor to returns for the All Weather service over the quarter. European equities were particularly strong over the period, benefitting from better than anticipated inflation figures in November, as well as milder weather easing the strain of higher energy costs.

The UK equity funds also offered a strong contribution to returns. The UK's relative strength over the quarter was partly attributable to a recovery following September volatility after the mini budget, with the new chancellor Jeremy Hunt outlining a more fiscally responsible stance in the November budget, which settled markets.

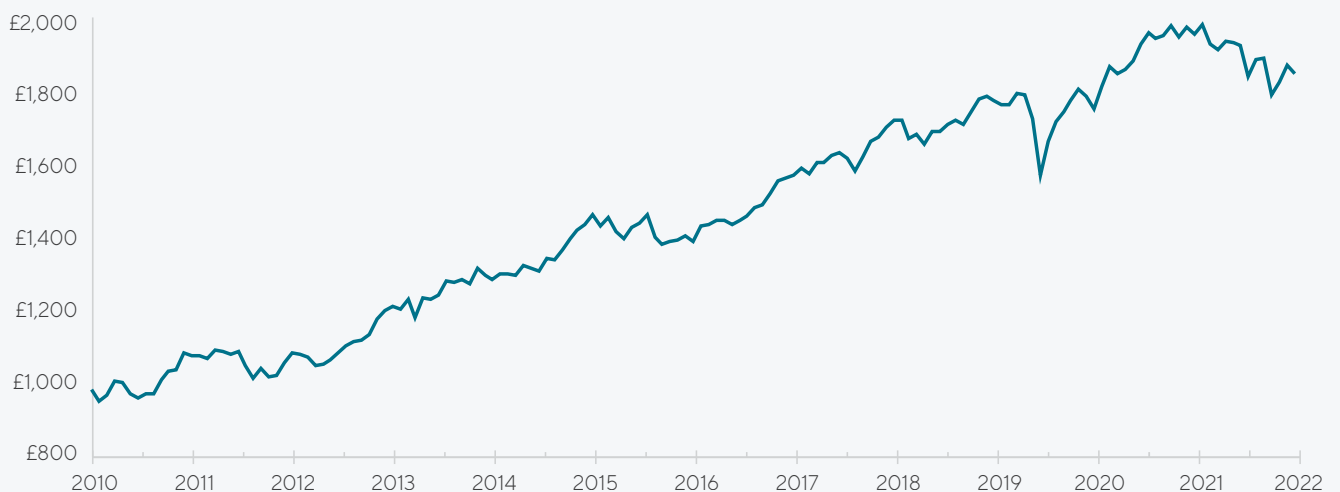
Within the context of markets rising on the whole over the quarter, the hedge fund holdings detracted from returns after a strong year to date. Their strategies offer diversification properties, being uncorrelated in nature as

they tend to benefit from market volatility and dislocation and, as such, underperformed in the rising markets. We feel that keeping exposure to this area is prudent as, while peak fears of market volatility seems to have passed, there are still uncertainties in the year ahead surrounding inflation, interest rates, and the war in Ukraine.

The year was a difficult one for markets, and indeed one of the worst in over a decade for a number of areas; with volatility plentiful amid rising inflation and interest rates, the war in Ukraine, and continued Covid related disruptions in China. We are cautiously optimistic for 2023 with inflation reversing course and interest rate rises slowing. That said, the economic outlook remains relatively bleak, and we continue to position portfolios with appropriate levels of caution, while still seeking to capitalise on attractive opportunities that will undoubtedly arise over the cycle.

### Performance

£1,000 invested over time:





# ALL WEATHER QUARTERLY REVIEW

QUARTER FOUR | TWO THOUSAND AND TWENTY TWO

Total Return	CS All Weather	Annualised
3 Months	3.1%	-
1 Year	-6.6%	-
3 Years	2.8%	0.9%
5 Years	13.3%	2.5%
Inception	82.7%	5.3%

Top 10 Holdings	Weight	Overall Sector Breakdown as at 31 December 2022
BH Macro	7.0%	
Dodge & Cox US Stock Fund	6.7%	
Lightman European	5.0%	
Merchants Investment Trust	4.9%	
S&P US Dividend Aristocrats	4.3%	
UK(GOVT OF) IDX/LKD SNR 17/07/2024	4.1%	
UK(GOVT OF) IDX/LKD SNR 22/03/2024	4.1%	
Premier Miton US Opportunities	3.9%	
Schroder Strategic Credit	3.9%	
Artemis UK Select	3.4%	

Source: CS Managers Ltd as at 31/12/22

Performance numbers are indicative. Performance from 31 Dec 2009 – 30 Sept 2018 is of The Thesis Charlotte Square Allweather Fund. From the 30 Sept 2018 to 31 March 2022, performance is shown of the CS Investment Managers All Weather strategy, net of underlying fund costs, management fee of 0.75% + VAT, and other ancillary and dealing costs. From 31 March 2022, performance figures are drawn from a composite group of non-constrained discretionary portfolios managed by CS Investment Managers under an All Weather investment strategy. These figures have been calculated net of fees and dealing costs and adjusted for contributions and withdrawals. Please note that the 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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