

INCOME UPLIFT QUARTERLY REVIEW

QUARTER FOUR | TWO THOUSAND AND TWENTY

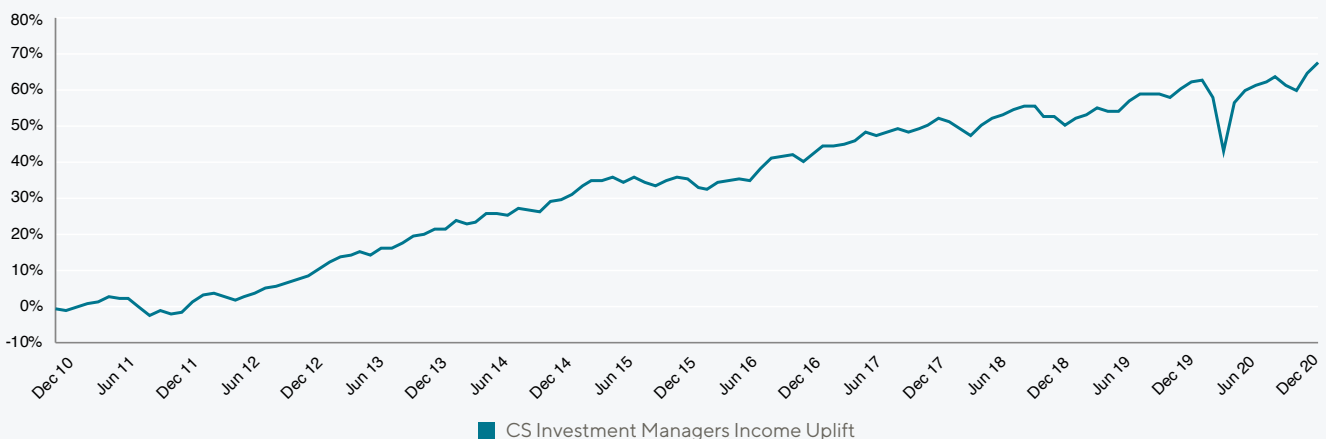
The fourth quarter of 2020 was broadly a strong one for global equities across the board. While much of the recovery was driven by the various monetary and fiscal stimulus programmes, the arrival of a COVID-19 vaccine was another catalyst for stocks to rise. The first three quarters were dominated by the mega-cap US technology stocks, but the fourth quarter was a strong one for value stocks, international stocks and small cap stocks. The previous market laggards (i.e. value stocks with good yields) rallied strongly on the back of the vaccine news and closed the gap to their growth counterparts.

Whilst they make up a small allocation amongst our portfolios, it was pleasing to see some of the heavily depressed REITs also significantly benefit from the vaccine rollout, especially those with allocations to offices, retail and pubs. REITs such as NewRiver, Ediston Property, Picton & BMO Commercial Property all rallied strongly. We introduced a new infrastructure holding during the period, BBGI Global Infrastructure, which is a globally diversified portfolio of assets including motorways, roads, hospitals & schools, situated in strong credit rating countries such as the UK, Canada, Australia and parts of Continental Europe. We believe BBGI has a resilient business model, delivering essential infrastructure to governments or government-

backed entities and are well placed to withstand the challenging market environment.

There was a noticeable difference in Government Bonds across the world. The US 10-year yield rose 25 basis points to 0.91%, whereas there were yield drops in Europe because of the European Central Bank's decision to increase their quantitative easing programme. The Italian 10-year yield saw a fall of 32 basis points whilst the Spanish 10-year yield fell 20 basis points. The UK 10-year yield was largely unchanged between the start and end of the quarter, at around 0.2%, as optimism over the COVID vaccine was matched by Brexit uncertainty and tighter lockdown measures.

CS Investment Managers Income Uplift Performance (net of fees)





Total Return	CS Investment Managers Income Uplift Strategy Portfolio	UK RPI Inflation
3 Months	3.8%	0.2%
1 Year	3.1%	1.1%
3 Years	10.0%	6.5%
5 Years	23.5%	13.2%
Since 31/12/2010	67.3%	27.5%

Source: CS Managers Ltd and Office for National Statistics data as at 31/12/20

Asset Allocation

Top 10 Holdings	%		Overall Sector Breakdown as at 31 December 2020
BH Global	4.7		
Schroder Strategic Credit	4.1		
Dodge & Cox US Stock Fund	4.1		
Sequoia Economic	3.9		
Barclays US TIPS	3.7		
NextEnergy Solar	3.6		
WisdomTree Physical Gold	3.5		
Civitas Social Housing	3.4		
S&W Global Inflation Linked Bond	3.4		
First Sentier Asia Focus	3.3		

Source: CS Managers Ltd, data as at 31/12/2020

Performance figures are indicative, drawn from stylised aggregate portfolios constructed from the combined discretionary portfolios managed by CS Investment Managers and Charlotte Square, Investment Managers. The figures are calculated on a monthly basis, net of fees and other charges 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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