



ALL WEATHER QUARTERLY REVIEW

QUARTER FOUR | TWO THOUSAND AND TWENTY

Global equities gained in Q4 as the approval of a COVID-19 vaccine stimulated hopes that a return to economic normality was within sight. Although for many, Christmas was to some extent cancelled due to the tightening of restrictions. Meanwhile equities, bonds and commodities generally appreciated.

UK equities performed well during the quarter, reversing some of the underperformance that they suffered over the previous quarters, with the market responding well to November's vaccine news. UK stocks were also buoyed by the end of the 'Deal or No Deal' Brexit programme, with domestically focused stocks in particular outperforming. The resulting deal should help ease any uncertainties investors have with UK stocks and allow them to push on in 2021.

In the US, vaccine progress dominated news headlines and somewhat overshadowed Joe Biden's presidential election win, as well as the \$900 billion stimulus package announced in late December. As with the UK, economically sensitive sectors made the strongest gains.

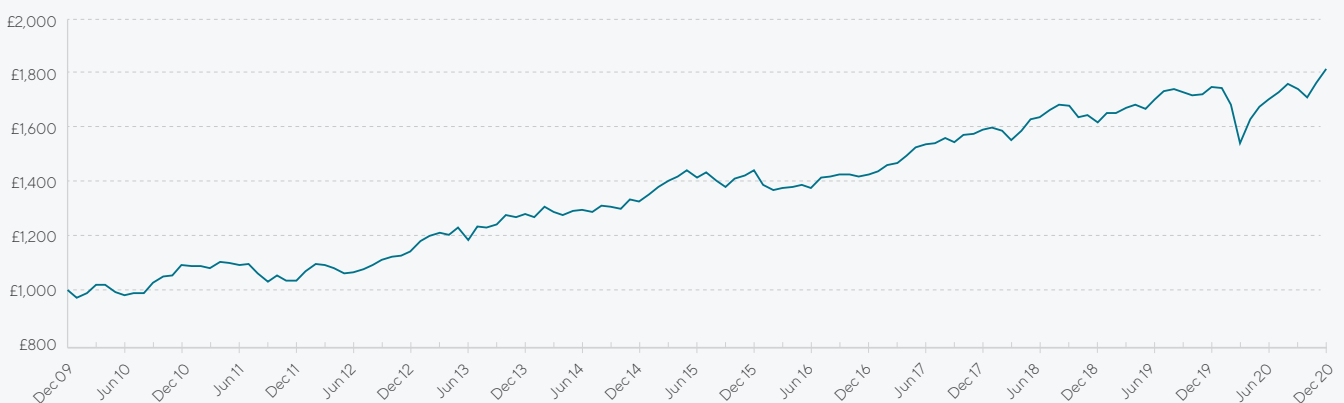
Our exposure to Japan also yielded positive returns, but we did not see the same reversal from growth to value as we witnessed in Europe and the US.

On the commodities front, US dollar weakness was beneficial. Crude oil prices rallied, as a stronger demand outlook offset concerns over increased supply. Precious metals were mixed, with silver performing well while the gold price fell, so our exposure to silver miners in addition to gold miners worked well.

Looking ahead to 2021, the market consensus expects a combination of monetary and fiscal stimulus and an economic re-opening as a result of vaccine approvals to deliver another positive year for stocks. However, our experience of 2020 shows that we should expect the unexpected at all times. Although we do not believe the market will experience a drastic fall as it did at the beginning of 2020, we have positioned the All Weather portfolio in such a way that should grow the value of our clients' portfolios, whilst reducing the overall volatility should there be any unexpected road bumps along the way.

Performance

£1,000 invested over time:





Top 10 Holdings	Weight	Overall Sector Breakdown as at 31 December 2020
S&W Global Inflation Linked Bond Fund	7.8%	
Fidelity UK Index Fund	6.6%	
Winton Absolute Return Futures Fund	6.0%	
ETF Securities Physical Gold (Hedged)	5.8%	
Merian UK Mid Cap	5.6%	
Schroder Strategic Credit Fund	5.1%	
Muzinich Short Duration High Yield Fund	4.8%	
TwentyFour AM Monument Bond Fund	4.7%	
DBX Trackers Nikkei 400 ETF (JPY)	4.3%	
Merian Gold & Silver	4.1%	

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

Risk Warning & Disclaimer: 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.

Performance numbers are indicative and drawn from two sources. Performance from 31 Dec 2009 – 30 Sept 2018 is of The Thesis Charlotte Square Allweather Fund. From the 30 Sept 2018 onwards, 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. 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.

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. 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 Investment Managers, CS Managers Ltd 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. Potential investors are recommended to seek independent financial advice before making a decision.

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