INCOME UPLIFT

QUARTER ONE | TWO THOUSAND AND TWENTY ONE

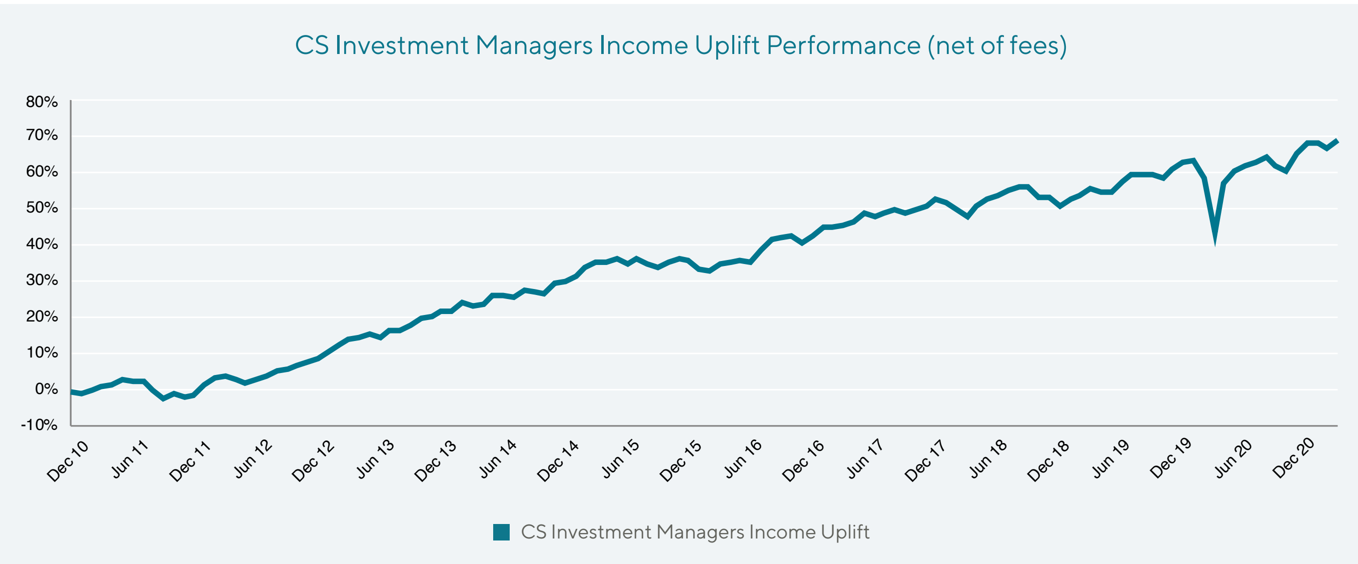
CS INVESTMENT MANAGERS

Despite a fairly flat start to 2021, global equities ended the quarter up on their starting values. In the previous couple of quarters, investors favoured companies demonstrating reliable and consistent profitability and growth. However, it now looks like markets prefer the 're-opening trade', with value-orientated stocks and cyclical companies making strong moves. These companies were among the most severely hit during the market falls of a year ago, but the support of vaccines and fiscal stimulus has boosted the recovery chances of many of these companies, as we start to see restrictions easing and normality returning.

Within some portfolios, we introduced a new holding, in the form of the SDCL Energy Efficiency Income Trust, which is a portfolio of clean energy project investments and aims to generate steady capital appreciation with a high level of income. The fund will predominantly invest in energy efficient assets across UK, America and Continental Europe. This includes for example: solar assets, energy storage, green gas distribution and biomass facilities. Management take a pragmatic approach to capital allocation with a focus on improving operational assets, where typically contracts are availability or capacity based and therefore fluctuation in a counterparty's demand for energy should have limited impact on returns. Contracts also typically include annual reviews which allow price increases to account for inflation and will help protect the real value of investors capital.

In bond yields, we saw a marked rise in Q1, amid a continued rollout of Covid-19 vaccinations, particularly in the US and UK, as well as expectations of huge levels of US economic stimulus. The 10-year US Treasury yield nearly doubled, rising to 1.75% from 0.92% and the UK 10-year yield increased by 65 basis points to 0.85%. In Europe, where the vaccination programme is some way behind the US and UK, yield rises were much lower. The German 10-year yield increased from -0.57% to -0.29%, Italy's 10-year yield rose from 0.55% to 0.66%, and Spain's 10-year yield rose to 0.33% from 0.04%. The rise in yields should help value and cyclical stocks where we have had increased exposure over the last few months.

Encouragingly the US 10 year yield has eased to 1.57% which should continue to underpin equities, but a dynamic tension still exists, as President Biden's fiscal easing has the strong possibility of increasing inflationary pressures. We will watch carefully for any major change of trend and direction.



Source: CS Managers Ltd. Data as at 31/03/21

INCOME UPLIFT QUARTERLY REVIEW
QUARTER ONE | TWO THOUSAND AND TWENTY ONE

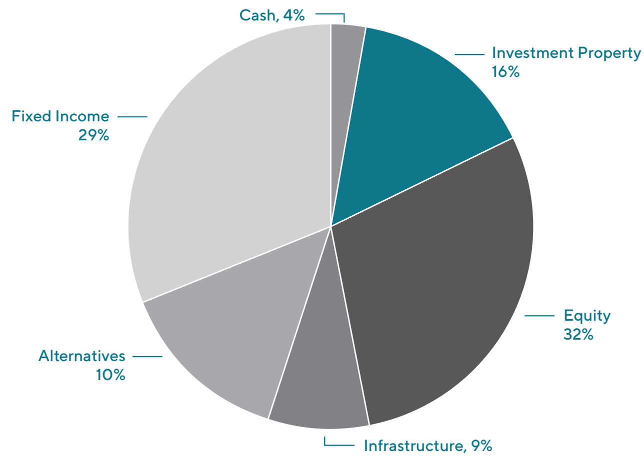
Total Return	CS Investment Managers Income Uplift Strategy Portfolio	UK RPI Inflation
3 Months	0.4%	0.5%
1 Year	17.3%	1.4%
3 Years	10.4%	6.6%
5 Years	25.2%	13.8%
Since 31/12/2010	68.0%	36.4%

Source: CS Managers Ltd and Office for National Statistics data as at 31/03/21

Asset Allocation

Top 10 Holdings	%	Sector
Dodge & Cox US Stock Fund	4.8	Equity
BH Global	4.4	Alternatives
Schroder Strategic Credit	4.0	Fixed Income
TwentyFour Dynamic Bond Fund	3.8	Fixed Income
Sequoia Economic	3.8	Fixed Income
Artemis UK Select	3.5	Equity
Civitas Social Housing	3.5	Investment Property
S&W Sanlam Global Inflation	3.2	Fixed Income
NextEnergy Solar	3.2	Infrastructure
Impact Healthcare	3.2	Investment Property

Overall Sector Breakdown as at 31 March 2021



Source: CS Managers Ltd as at 31/03/21

Performance figures are indicative, drawn from stylised aggregate portfolios constructed from the discretionary portfolios managed by CS 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.

CONTACT

William Forsyth | CEO & Investment Director | Email: wforsyth@csmanagers.com
CS Investment Managers, 43 Charlotte Square, Edinburgh, EH2 4HQ | Tel: 0131 624 7709 | www.csmanagers.com

IMPORTANT INFORMATION

CS Investment Managers is a trading name of CS Managers Ltd. CS Managers Ltd is authorised and regulated by the Financial Conduct Authority.

DISCLAIMERS & RISK WARNINGS

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. 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. Tax benefits and allowances described in this factsheet are based on current legislation and HM Revenue & 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, nor any connected party 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.

CSFP9 0321