

Global equities experienced a tough end to the quarter, following a summer of relative optimism. Negative sentiment came to the fore as a result of supply bottlenecks driving higher prices for energy and consumer goods and services, systemic risk from the Evergrande crisis and growing regulatory risks in China. Meanwhile, the Fed’s suggestion that tapering could begin as early as this year raised bond yields. Despite this, our AIM service continued to demonstrate solid performance ahead of its respective benchmarks, with a return of 7.1%.

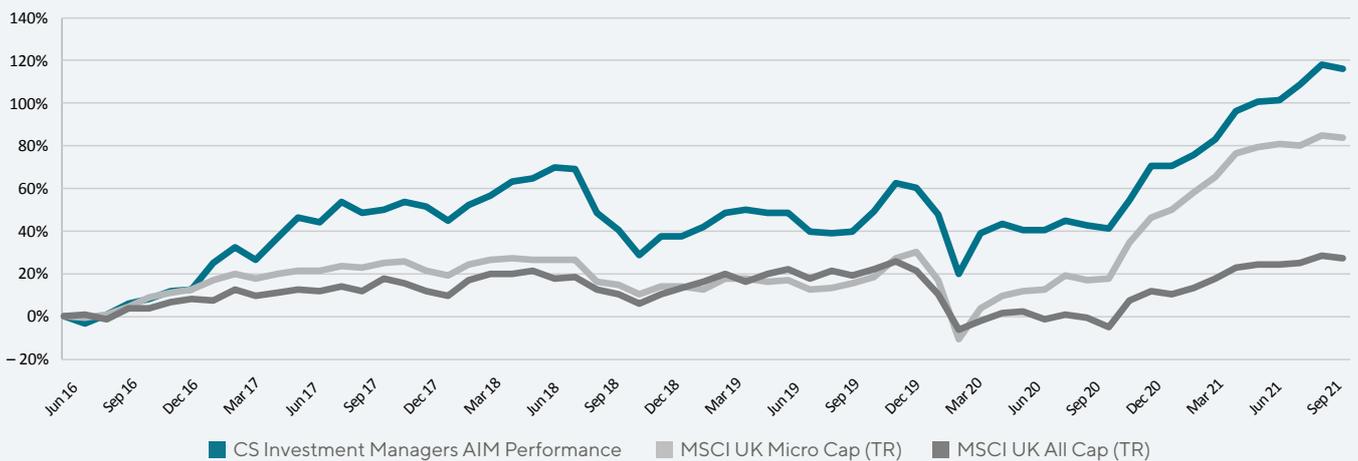
The MSCI UK Micro-Cap TR index returned 1.3%, underperforming the MSCI UK All Cap TR index, which returned 2.3%. The former’s larger weights in Consumer Discretionary and Industrials (sectors which have been most impacted from supply chain disruptions) detracted from performance, as did its lower exposure to Energy.

The winners during the period were diverse in nature. Beeks Financial Cloud, the cloud computing trading solutions provider, returned 63% on the back of strong figures, which benefitted from a new data analytics product launch. Accesso Technology, an e-commerce and ticketing solutions company, saw a 55% return during the quarter on the back of a strong trading update which demonstrated a better recovery in volumes than the market expected, as its global customers begin to see increasingly more patrons across the travel and leisure sectors.

Meanwhile, Augean, the waste management services company, continued to be on the receiving end of an ongoing bidding war, which resulted in a further 29% return this quarter. The takeover panel imposed a formal auction process on the matter to bring this to a close, which will result in the receipt of cash proceeds at a significant premium to book cost over the coming weeks.

The effect of supply chain problems on the portfolio continues to be closely monitored through dialogue with the companies’ management teams but, as of yet, we have not seen any meaningful impact given our limited exposure to retailers. Meanwhile, we hold certain companies in the portfolios which should be direct beneficiaries of inflation and remain optimistic about return prospects over the coming period.

Cumulative AIM Discretionary Client Performance (Net of Fees)



Total Return	CS Investment Managers Discretionary AIM Clients	MSCI UK Micro Cap Total Return	MSCI UK All Cap Total Return
3 Months	7.1%	1.3%	2.3%
1 Year	51.2%	56.8%	28.2%
3 Years	27.3%	45.0%	7.1%
5 Years	114.8%	82.7%	27.1%



CS Investment Managers Discretionary AIM Clients	MSCI UK Micro Cap Total Return	MSCI UK All Cap Total Return
Monthly Volatility 5.6%	Monthly Volatility 5.3%	Monthly Volatility 4.1%

Top 10 Holdings	%	Sector	Overall Sector Breakdown as at 30 September 2021
Ideagen	5.9%	Software & Computer	
Sureserve Group	5.3%	Support Services	
Gamma Communications	5.0%	Telecommunications	
Renew Holdings	4.9%	Construction & Materials	
Begbies Traynor	4.9%	Support Services	
Keywords Studios	4.9%	Support Services	
Augean	4.7%	Support Services	
Caretech	4.7%	Healthcare Equipment	
Alpha Financial Markets	4.5%	Support Services	
Beeks Financial Cloud	4.1%	Software & Computer	

Source: CS Managers Ltd and MSCI. Data as at 30/09/21. The MSCI information may only be used for your internal use, may not be reproduced or disseminated in any form and may not be used as a basis for or a component of any financial instruments or products or indices. None of the MSCI information is intended to constitute investment advice or a recommendation to make (or refrain from making) any kind of investment decision and may not be relied on as such. Historical data and analysis should not be taken as an indication or guarantee of any future performance analysis, forecast or prediction. The MSCI information is provided on an 'as is' basis and the user of this information assumes the entire risk of any use made of this information. MSCI, each of its affiliates and each other person involved in or related to compiling, computing or creating any MSCI information (collectively the 'MSCI Parties') expressly disclaims all warranties (including, without limitation, any warranties of originality, accuracy, completeness, timeliness, non-infringement, merchantability and fitness for a particular purpose) with respect to this information. Without limiting any of the foregoing, in no event shall any MSCI Party have any liability for any direct, indirect, special, incidental, punitive, consequential (including, without limitation, lost profits) or any other damages. (www.msci.com)

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.

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