

INCOME UPLIFT

QUARTER THREE | TWO THOUSAND AND TWENTY ONE

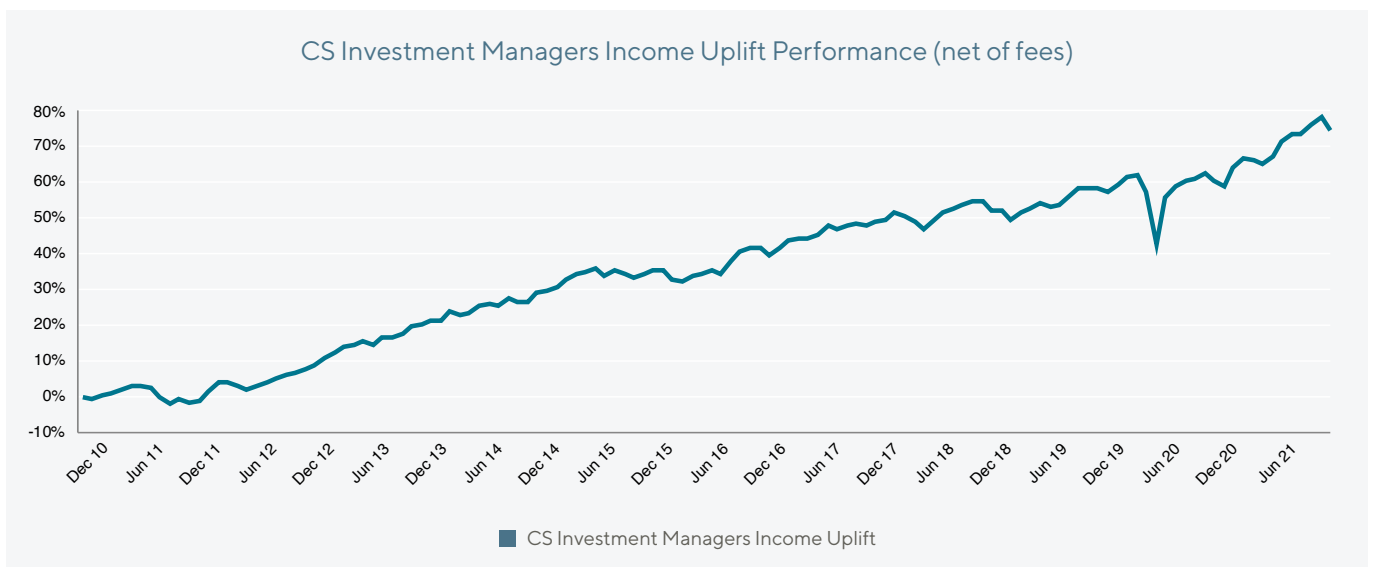


CS INVESTMENT MANAGERS

Rising inflation and the prospect of the withdrawal of monetary policy support drew the market's focus, with yields rising back to similar levels seen at the beginning of the quarter in the US and Europe despite an initial fall. Yields in the UK rose, with the 10-year yield increasing from 0.72% to 1.02%, as the Bank of England took a more hawkish tone. We had already positioned our Income Uplift portfolios in anticipation of a rise in inflation, with the majority of the underlying cashflows in our REIT and Infrastructure exposure linked to RPI/CPI and a bias to inflation-linked bonds. In addition, many of the companies held within our equity allocation should hold up well in spite of these trends, with the ability to pass on rising costs to consumers or even benefit directly as raw material producers.

Portfolio activity brought a switch in some exposure from Property to Infrastructure, such as the sale of GCP Student Living and reinvestment in BBGI Global Infrastructure. GCP Student Living was the strategy's top performer after an announcement in July noted that the company had received a series of non-binding proposals for the entire share capital of the company. This news was well received by the market and the shares rose strongly to eventually trade at an 8% premium to the NAV.

BBGI Global Infrastructure provides a globally diversified portfolio of availability-based infrastructure assets for portfolios. These assets include motorways, roads, hospitals, schools and are situated in strong credit rating countries such as the UK, Canada, Australia and parts of Continental Europe. Proceeds from the latest placing are to be used to fund the acquisition of three operational social infrastructure investments in the UK. These projects include the Aberdeen Western Peripheral Route, Ayrshire and Arran Hospital and Northwest Fire & Rescue.



Source: CS Managers Ltd. Data as at 30/09/21



INCOME UPLIFT QUARTERLY REVIEW

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Total Return	CS Investment Managers Income Uplift Strategy Portfolio	UK RPI Inflation
3 Months	0.8%	1.6%
1 Year	8.8%	4.5%
3 Years	14.6%	8.4%
5 Years	23.8%	16.3%
Since 31/12/2010	75.5%	40.1%

Source: CS Managers Ltd and Office for National Statistics data as at 30/09/21

Asset Allocation

Top 10 Holdings	%	Sector	Overall Sector Breakdown as at 30 September 2021
BH Macro	4.7	Alternatives	
Dodge & Cox US Stock Fund	4.5	Equity	
Royal London Sterling Extra Yield	4.2	Fixed Income	
Sanlam Global Inflation Linked Bond	4.0	Fixed Income	
Artemis UK Select	4.0	Equity	
TwentyFour Dynamic Bond Fund	3.8	Fixed Income	
Schroder Strategic Credit	3.7	Fixed Income	
Sequoia Economic	3.5	Fixed Income	
BBGI Global Infrastructure	3.5	Infrastructure	
First Sentier Asia Focus	2.8	Equity	

Source: CS Managers Ltd as at 30/09/21

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.

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IMPORTANT INFORMATION

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