

Investment objective

To seek a combination of income and long-term capital appreciation, but with a focus on income, with a medium risk investment profile.

Benchmark

The Fund is benchmarked against the MSCI PIMFA Income Index (Total Return) and will take active positions relative to this index on both asset allocation and stock selection. The Fund's broad asset allocation (split by equities, fixed income and alternatives) will typically be restricted to a range, relative to the benchmark, set by the CSI Investment Committee.

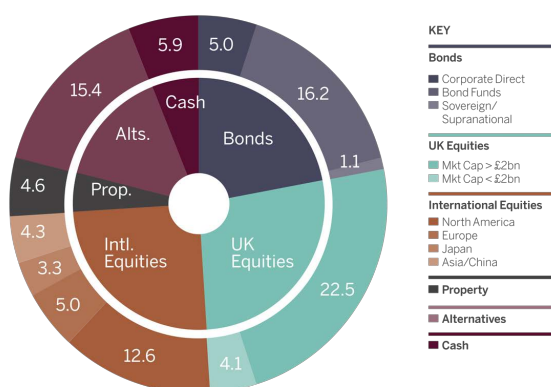
On 1 March 2017 the WMA (now PIMFA) range of Private Investor comparators replaced FTSE International with indices provided by MSCI and IHS Markit.

Investment policy

In order to achieve its objective, the Fund will invest principally in a diversified portfolio of different asset classes such as equities, equity linked securities (including warrants and convertible securities), fixed and floating rate debt securities, index linked bonds, cash and cash equivalents.

The equity part of the Fund's portfolio will contain primarily securities from the leading UK companies (FTSE 350) or their equivalents from overseas markets. The equity part of the portfolio may also consist of, but to a proportionately lesser extent, the securities of smaller companies. The bond part of the Fund's portfolio will contain mainly bonds such as sovereign debt or securities guaranteed by governments and corporate debt with the focus being on medium to high credit quality. The bond part of the portfolio may also consist of, but to a proportionately lesser extent, lower quality bonds.

Asset allocation



Key information

Benchmark: MSCI PIMFA Income Index

Unit Price (1 Dist Shares)	£1.03
Dividend Yield*	3.4%
Dividend Payment (month end)	Jan, Apr, Jul & Oct
Inception	15-Apr-13

Charges:

Class 1 Shares	
Ongoing Charges**	0.78%
Transaction Costs	0.19%
Total cost of Ownership	0.97%

Performance Fee	n/a
Exit Charge	n/a

Distribution shares SEDOL	B95JKM6
Distribution shares ISIN	LU0904712360

Fund Manager (since 26/07/19)	James Godrich, CFA
Deputy Fund Manager (since 01/07/2020)	Christopher Barrett

Top 10 direct holdings

	Percentage
1 JOHNSON & JOHNSON	1.6%
2 LONDONMETRIC	1.3%
3 UNILEVER	1.3%
4 COOPER COS	1.2%
5 BURBERRY	1.2%
6 SHAFTESBURY	1.2%
7 WORKSPACE	1.1%
8 SHELL	1.1%
9 RIO TINTO	1.1%
10 GAMES WORKSHOP	1.1%

Top 10 fund holdings

	Percentage
1 VANGUARD S&P 500 ETF	6.2%
2 SVS CHURCH HOUSE INV GRADE FXT INT	5.7%
3 TWENTYFOUR ABSOLUTE RETURN CREDIT	5.7%
4 PERSONAL ASSETS TRUST	3.9%
5 CAPITAL GEARING TRUST	3.9%
6 CG PORTFOLIO DOLLAR HEDGED	2.5%
7 ISHARES IDX-LINKED GILTS ETF	2.3%
8 SCHRODER ORIENTAL INC	2.3%
9 CC JAPAN INCOME GROWTH TRUST	2.2%
10 POLAR CAPITAL EUROPEAN (EX UK) INCOME	2.1%

Cumulative performance

(% total return)

	3m	6m	1yr	3yr	5yr
CSI Income	-7.8%	-11.8%	-7.3%	5.4%	17.1%
MSCI PIMFA Income	-6.6%	-8.8%	-5.0%	6.7%	18.5%

Source: Cadelam and Factset

Past performance is not a reliable indicator of future results. All performance figures shown are net of underlying fund charges.

*The yield reflects historic distributions declared over the past twelve months as a percentage of the mid-market unit price, as at the date shown and after the deduction of the funds expenses.

**Ongoing charge represents the direct costs of running a fund, which are deducted from the assets of the fund and provide a comparable number for the cost of investing. The annual management charge is included in the ongoing charge.

Discrete 12 month performance

(% total return)

	30.06.18 30.06.17	30.06.19 30.06.18	30.06.20 30.06.19	30.06.21 30.06.20	30.06.22 30.06.21
CSI Income	5.2%	5.6%	-2.2%	16.2%	-7.3%
MSCI PIMFA Income+	6.2%	4.6%	-1.0%	13.4%	-5.0%

+Please note that the PIMFA performance data included is blended to reflect the FTSE WMA Series up to 1 March 2017 and the PIMFA MSCI Series thereafter.

Fund manager commentary

During the second quarter, the Fund returned -7.8% against the PIMFA Income Index that returned -6.6%. Relative underperformance was driven by stock selection within UK equities.

The first half of 2022 offered very few hiding places for investors. Deutsche Bank reported positive returns in only four of the 38 asset classes under its coverage – even lower than the seven that managed a positive return in the midst of the financial crisis. In America the S&P 500 suffered its worst first half since 1970, whilst the more growth orientated Nasdaq index recorded its worst first half performance ever. Not to be outdone, the FTSE 100 rounded off the period with its biggest monthly drop since March 2020 when Covid-19 first hit. At the same time, cash held on deposit saw its value viciously eroded by inflation that reached its highest level in 40 years on both sides of the pond.

Concern and uncertainty amongst both consumers and investors has been caused by the combination of the ongoing conflict in Ukraine, stubbornly high inflation and increasing interest rates.

As is often the case during times of stress, investors' time frames have shortened meaningfully and focus has shifted to businesses who are expected to justify the majority of their value in the near future; tobacco, energy and commodity companies are good examples. And

it is through understanding this that one can understand the disappointing year to date performance of the Coleman Street Funds which hold a preference for businesses with high barriers to entry, enduring and attractive financial characteristics and the ability to grow over long periods of time.

It remains our belief that superior financial performance will be driven by businesses in structural growth markets, with loyal customers and attractive economics. And that, when bought at a reasonable price, superior financial performance will drive superior share price performance. As a result, we have continued to allocate capital to a number of high quality assets but have retained exposure to both defensive and cyclical end markets in doing so.

It is a challenging time for investors at present and we think it is a useful time to remind ourselves of a recent observation by the renowned investor, Howard Marks that, 'in the real world things fluctuate between pretty good and not so hot, and in the market, things fluctuate between flawless to hopeless'. It is these mood swings of the market that offer opportunities to the long-term, rational investor.

Important information

Past performance is not a reliable indicator of future results. All performance figures shown are net of underlying fund charges.

The value of CSI Income may go down as well as up and you may not receive back all the money you invest. Investment should be made on the basis of the Prospectus and Key Investor Information Document (KIID), available on our website. You should seek professional advice as to the suitability of the Fund before investing. Values may be affected by fluctuations in exchange rates where assets in the Fund are denominated in currencies other than sterling.

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