

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

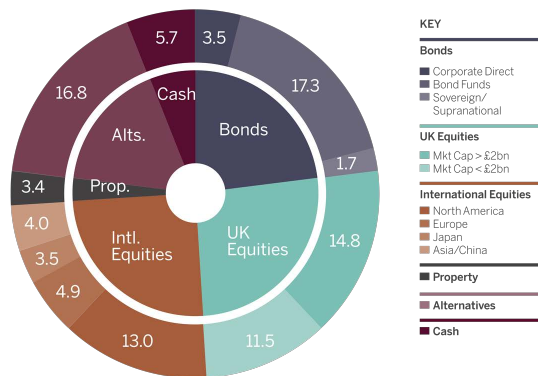
The Fund is benchmarked against the MSCI PIMFA Income Index (Total Return) and will take active positions relative to this index on both asset allocation and stock selection. The Fund's broad asset allocation (split by equities, fixed income and alternatives) will typically be restricted to a range,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

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. Debt securities (including sovereign and corporate) as well as higher yielding equities will be the dominant asset classes.

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 (A Acc/A Dist Shares)	£1.42/£1.00
Dividend Yield*	3.3%
Dividend Payment (month end)	Jan, Apr, Jul, Oct
Inception	15-Apr-13

Charges:

Ongoing Charges**	1.27%
Transaction Costs	0.12%
Total Cost of Ownership	1.39%

Performance Fee	n/a
Exit Charge	n/a

Acc/Dist shares SEDOL	B9MBLH7/B94L4T8
Acc/ Dist shares ISIN	LU0904711123 / LU0904711479

Fund Manager (since 26/07/19)	James Godrich, CFA
Deputy Fund Manager (since 01/07/20)	Christopher Barrett
Assistant Fund Manager (since 01/01/2023)	Nina Etherton

Top 10 direct holdings

	Percentage
1 BURBERRY	1.4%
2 GAMES WORKSHOP	1.2%
3 DIAGEO	1.2%
4 NEXT	1.2%
5 BP	1.1%
6 HARGREAVES LANSDOWN	1.1%
7 SHELL	1.1%
8 UNILEVER	1.1%
9 RIO TINTO	1.1%
10 COOPER COS	1.1%

Top 10 fund holdings

	Percentage
1 TWENTYFOUR ABSOLUTE RETURN	6.3%
2 CHURCH HOUSE INV GRADE	6.1%
3 VANGUARD S&P 500 ETF	5.6%
4 PERSONAL ASSETS TRUST	4.1%
5 CAPITAL GEARING TRUST	3.9%
6 ISHARES IDX-LINKED GILTS	2.5%
7 CC JAPAN INCOME & GROWTH TRUST	2.4%
8 CG PORTFOLIO DOLLAR	2.4%
9 BLUEFIELD SOLAR INCOME FUND	2.3%
10 3I INFRASTRUCTURE	2.2%

Cumulative performance

(% total return)

	3m	6m	1yr	3yr	5yr
CSI Income	1.2%	5.9%	-5.3%	19.9%	18.9%
MSCI PIMFA Income	2.5%	6.7%	-3.9%	22.1%	20.3%

Source: Cadelam and Factset

Discrete 12 month performance

(% total return)

	31.03.19 31.03.18	31.03.20 31.03.19	31.03.21 31.03.20	31.03.22 31.03.21	31.03.23 31.03.22
CSI Income	7.0%	-7.3%	20.7%	4.9%	-5.3%
MSCI PIMFA Income	6.1%	-7.1%	19.7%	6.1%	-3.9%

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.

Fund manager commentary

During the first quarter the Fund returned 1.2% against the PIMFA Income Index that returned 2.5%. Relative underperformance was driven by stock selection in International Equities.

Included in the headline numbers is the best quarterly performance for the Nasdaq since 2020 which was up 17% despite some of the worst banking fears since the Global Financial Crisis. It is the latter that mostly led to the former, as markets began to price in an increased likelihood that Central Bankers around the world would be cutting interest rates sooner rather than later in response to falling inflation and cracks in the system.

Against that backdrop, equities whose cashflows are expected to occur long into the future (long duration assets) have performed particularly well. But we have also been pleased to see a continued strong year-to-date performance from more attractively priced retail companies held within the portfolio such as **Kering** (+26%), **Auto Trader** (+20%) and **Next** (+13%).

Looking beyond the next six to nine months, we remain concerned about the consensus sanguine view on a return to permanently lower inflation and its corresponding hopeful view on a meaningful decline in interest rates. And to that extent we see current volatility as our friend in offering

opportunities to increase our exposure to high quality financials whose share prices have been weak year-to-date such as **JP Morgan** (-3%), **Hargreaves Lansdown** (-7%) and **Close Brothers** (-14%).

We have also been pleased to see several companies held within the portfolio have taken the opportunity to complete acquisitions in the current environment. On the 28th March, **Halma** acquired FirePro, a fire safety technology company headquartered in Cyprus. On the 29th March, **Next** bought floral lifestyle brand, Cath Kidston. And on the 19th March, **UBS** acquired long-term rival Credit Suisse. We hope that all of these acquisitions will come to represent attractively priced assets and ultimately create long-term value for us as investors in the parent companies.

In the same way that wind can spread a fire and extinguish a candle, volatility can help the long-term investor and hinder the short-term one. We believe that current market volatility, whilst challenging, offers an opportunity to long-term investors to protect their portfolio from certain challenges in an uncertain world.

Important information

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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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The fund is a Luxembourg domiciled open-ended investment company (SICAV) which is an EEA UCITS fund. The Management Company of the SICAV is Cadelux S.A., the Depositary, Administrative, Corporate and Domiciliary agent, Registrar and Transfer Agent is Delen Private Bank. JM Finn is the Investment Manager as appointed by Cadelux S.A. This Fund is not offered, sold or distributed in the United States or to US persons.