

Investment objective

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

Benchmark

The Fund is benchmarked against the MSCI PIMFA Balanced 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.

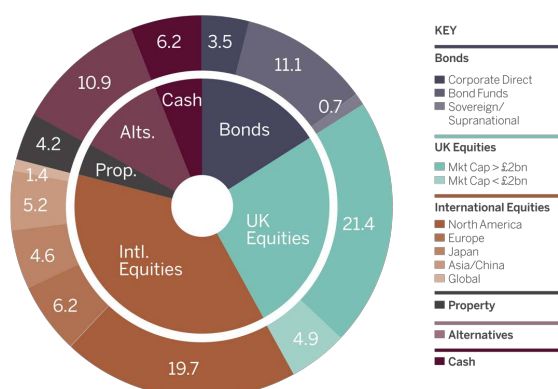
On 1 March 2017 the WMA (now PIMFA) range of Private Investor comparators replaced FTSE International with indices provided by MSCI and IHS Markit.

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 Balanced Index

| | |
|------------------------------|---------------------|
| Unit Price (1 Dist Shares) | £1.14 |
| Dividend Yield* | 2.2% |
| Dividend Payment (month end) | Jan, Apr, Jul & Oct |
| Inception | 15-Apr-13 |

Charges:

| | |
|-------------------------|-------|
| Class 1 Shares | |
| Ongoing Charges** | 0.70% |
| Transaction Costs | 0.26% |
| Total cost of Ownership | 0.96% |

| | |
|-----------------|-----|
| Performance Fee | n/a |
| Exit Charge | n/a |

| | |
|---------------------------|--------------|
| Distribution shares SEDOL | B958993 |
| Distribution shares ISIN | LU0904708335 |

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

Top 10 direct holdings

| | Percentage |
|----------------------|------------|
| 1 BERKSHIRE HATHAWAY | 2.1% |
| 2 JOHNSON & JOHNSON | 1.8% |
| 3 JP MORGAN CHASE | 1.7% |
| 4 DANAHER | 1.5% |
| 5 UNILEVER | 1.5% |
| 6 BURBERRY | 1.4% |
| 7 SHELL | 1.4% |
| 8 NIKE | 1.4% |
| 9 RS GROUP | 1.3% |
| 10 SAGE | 1.2% |

Top 10 fund holdings

| | Percentage |
|-------------------------------------|------------|
| 1 VANGUARD S&P 500 ETF | 6.9% |
| 2 CHURCH HOUSE INV GRADE FXD INT | 4.1% |
| 3 TWENTYFOUR ABSOLUTE RETURN CREDIT | 4.1% |
| 4 PICTET JAPANESE EQUITY SELECTION | 2.9% |
| 5 CARMIGNAC EUROPEAN LEADERS | 2.5% |
| 6 SCHRODER ASIAN TOTAL RETURN | 2.4% |
| 7 PERSONAL ASSETS TRUST | 2.2% |
| 8 CAPITAL GEARING TRUST | 2.2% |
| 9 HSBC S&P 500 ETF | 2.0% |
| 10 PACIFIC ASSETS TRUST | 1.8% |



Powering financial insight

Cumulative performance

(% total return)

| | 3m | 6m | 1yr | 3yr | 5yr |
|------------------------|-------|--------|--------|------|-------|
| CSI Income & Growth | -1.5% | -10.3% | -14.0% | 2.9% | 16.8% |
| MSCI PIMFA Balanced | -2.9% | -9.6% | -7.8% | 2.9% | 16.8% |

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.

Fund manager commentary

During the third quarter, the Fund returned -1.5%, against the PIMFA Balanced Index that returned -2.9%. Relative outperformance was driven by stock selection in UK equities.

The third quarter of 2022 has again been a challenging one for investors. Dramatic swings in asset class performance have been driven by rapidly changing monetary and fiscal policy, unprecedented economic data prints and ongoing geopolitical uncertainty.

It is because of this unpredictability and volatility we are wary of trying to drive returns through active asset allocation positions. Instead of owning more or less of a given asset class (for example cash versus North American listed businesses versus Japanese listed businesses) we seek to own more or less of certain securities within an asset class (for example Diageo in the UK or LVMH in Europe). In simple terms, our strategy is to try to buy great businesses at reasonable prices and to own these for long periods of time – history tells us that the compound effects of being a patient investor in high quality assets can be remarkable. This does not mean that we ignore the macro environment though; indeed, in 2022 it has been impossible to do so.

Over recent years, a key macro view is that we have been consistently concerned about inflation and its threat to shareholder returns across many of the securities that we own. In June 2021 we wrote in this commentary that “the risk remains that supposedly ‘transitory’ inflation is not so” and in October 2021 we reiterated that we had been “adding to businesses where we see a great margin of safety

Discrete 12 month performance

(% total return)

| | 30.09.18 30.09.17 | 30.09.19 30.09.18 | 30.09.20 30.09.19 | 30.09.21 30.09.20 | 30.09.22 30.09.21 |
|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| CSI Income & Growth | 8.7% | 4.5% | 15% | 17.9% | -14.0% |
| MSCI PIMFA Balanced+ | 7.0% | 6.1% | -3.8% | 16.0% | -7.8% |

+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.

in the valuation or whose earnings would be positively affected by higher inflation and interest rates.” In addition to businesses with these characteristics, we have owned index linked gilts, which have interest payments directly linked to changes in the rate of inflation, and property stocks, which we believe are able to pass on inflationary price increases to tenants.

Whilst our concerns about inflation may appear on the face of it to have been valid, there is an important distinction in the accepted duration of inflation and our protection as a result has been disappointing.

To reiterate, we felt that concerns around short-term or ‘transitory’ inflation were over-done but that positioning around medium and long-term inflation was complacent – and we sought to protect the portfolio against this. What has in fact happened is that concern over near-term inflation has grown even further, whilst caution amongst investors over medium and long-term inflation has, if anything diminished.

Looking forward, and despite recently hawkish updates from Central Banks around the world, we believe that the risks to not-so-transitory inflation remain. We will continue to try to protect the portfolio from this risk in the medium and long term through a diversified collection of assets owned at attractive valuations.

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 & Growth 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.

Source: MSCI. MSCI makes no express or implied warranties or representations and shall have no liability whatsoever with respect to any MSCI data contained herein. The MSCI data may not be further redistributed or used as a basis for other indexes or any securities or financial products. This report is not approved, endorsed, reviewed or produced by MSCI. None of the MSCI data 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.

The information in this document does not constitute advice or a recommendation and you should not make any investment decisions on the basis of it. This document is for the information of the recipient only and should not be reproduced, copied or made available to others.

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.