

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.

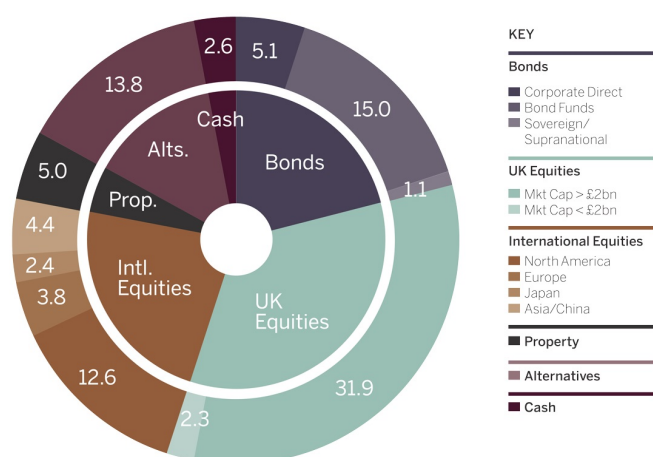
On 1 March 2017 the WMA (now PIMFA) range of Private Investor comparators replaced FTSE International with indices provided by MSCI and IHS Markit.

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. 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 Dist Shares) | £1.12 |
| Historical Yield* | 2.3% |
| Dividend Payment (month end) | Jan, Apr, Jul, Oct |
| Inception | 15-Apr-13 |

Charges:

| | |
|-------------------------|-------|
| Ongoing Charges** | 1.28% |
| Transaction Costs | 0.14% |
| Total Cost of Ownership | 1.42% |

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

| | |
|---------------------------|--------------|
| Distribution shares SEDOL | B94L4T8 |
| Distribution shares ISIN | LU0904711479 |

| | |
|--------------------------------------|---------------------|
| Fund Manager (since 26/07/19) | James Godrich, CFA |
| Deputy Fund Manager (since 01/07/20) | Christopher Barrett |

Top 10 direct holdings

| | Percentage |
|---------------------------|------------|
| 1 UNILEVER | 1.8% |
| 2 RELX | 1.8% |
| 3 CLOSE BROS | 1.8% |
| 4 RIO TINTO | 1.7% |
| 5 DECHRA PHARMACEUTICALS | 1.7% |
| 6 DIAGEO | 1.6% |
| 7 SCHRODERS VOTING SHARES | 1.6% |
| 8 GENUS | 1.6% |
| 9 WORKSPACE | 1.6% |
| 10 BURBERRY GROUP | 1.5% |

Top 10 fund holdings

| | Percentage |
|--------------------------------------|------------|
| 1 VANGUARD S&P 500 ETF | 6.5% |
| 2 TWENTYFOUR ABSOLUTE RETURN CREDIT | 5.5% |
| 3 SVS CHURCH HOUSE INV GRADE FXD INT | 4.5% |
| 4 CAPITAL GEARING TRUST | 3.5% |
| 5 PERSONAL ASSETS TRUST | 3.5% |
| 6 INDEX LINKED ETF ISHARES | 2.5% |
| 7 CG PORTFOLIO DOLLAR HEDGED | 2.5% |
| 8 VANGUARD PACIFIC EX JAPAN | 2.4% |
| 9 HICL INFRASTRUCTURE | 2.3% |
| 10 GREENCOAT UK WIND | 2.3% |

Cumulative performance

(% total return)

| | 3m | 6m | 1yr | 3yr | 5yr |
|-------------------|------|------|-------|-------|-------|
| CSI Income | 4.7% | 6.5% | 15.4% | 17.9% | 37.4% |
| MSCI PIMFA Income | 4.4% | 6.0% | 13.4% | 17.6% | 38.9% |

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)

| | 30.06.17 30.06.16 | 30.06.18 30.06.17 | 30.06.19 30.06.18 | 30.06.20 30.06.19 | 30.06.21 30.06.20 |
|-------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| CSI Income | 10.7% | 5.3% | 5.3% | -3.1% | 15.4% |
| MSCI PIMFA Income | 11.3% | 6.2% | 4.6% | -1.0% | 13.4% |

+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 +4.7%, against the PIMFA Income Index that returned +4.4%. Relative outperformance was driven by stock selection within our UK equities.

If the first quarter of 2021 was the start of a return to normality, the second quarter was more of a false start.

Amongst great progress on vaccines in much of the developed world, there was a new peak in global daily Coronavirus cases during the quarter and continued threats from new variants which appear to spread more easily and, at some point, carry the risk of evading vaccine efficacy.

What happens next is, as ever, uncertain. Whilst Coronavirus cases remain stubbornly high, the link between cases and deaths appears to be weakening and politicians appear firm in their view now that any reopening will not be reversed. That is likely to further spur on consumer demand and a quickly improving labour market; the risk remains that supposedly 'transitory' inflation is not so.

Against this backdrop, we continue to find opportunities to invest and we see competition for capital amongst the businesses in which we invest as high at present. We follow the philosophy on when to sell that Philip Fisher sets out in his seminal book, 'Common Stocks and Uncommon Profits'. In it he says that, "I believe that there are three reasons and three reasons only, for the sale of any common stock...when a mistake has been made...[adverse] changes resulting from the passage of time...to switch into a situation with seemingly better prospects."

In June 2021 we, for the first time, had an opportunity to act based on the third reason. **Victrex** we have always felt has been a good UK engineering business with great cash generation on its core business but had been disappointed at progress with its high barrier-to-entry 'mega-programmes' strategy. The fund recently reviewed another engineering business, **Strix**, which we concluded was a better UK business proposition. It had similarly strong cash generation on its core business (they are the global leader in producing kettle controls), but with progress on its strategy to develop critical elements in other appliances and to increase its exposure to the structural growth within water filtration and take on Brita as the global number one. We felt that **Strix** offered seemingly better prospects at a more attractive valuation and we switched our holding.

It is a good sign when the tough decisions are on which businesses you like more.

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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