



INCOME UPLIFT QUARTERLY REVIEW

QUARTER TWO | TWO THOUSAND AND TWENTY

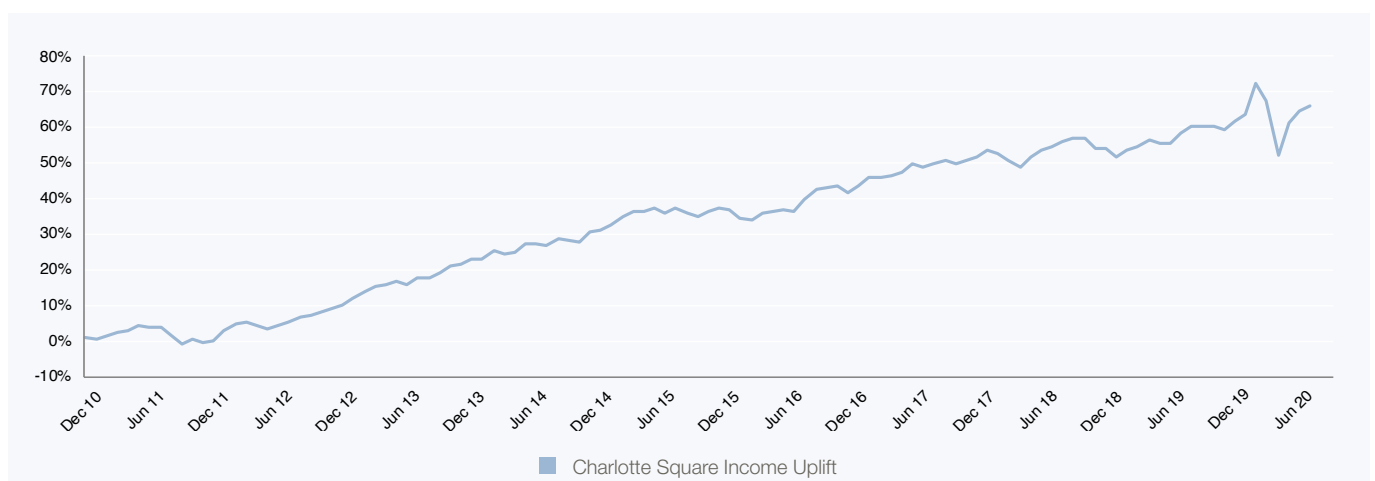
The second quarter of 2020 saw a strong rebound in equity markets across the board as risk appetite returned, following the easing of lockdown restrictions and some early signs of economic recovery.

Our holdings in gold continued to perform well over the quarter, contributing the most to performance in monetary terms. Although it does not produce an income, we feel that maintaining our exposure to this asset class is prudent from a capital preservation point. One action across portfolios particularly worth noting was a partial rotation from physical gold to gold and silver shares. We took some profits in our physical gold holding, reinvesting the proceeds in Merian Gold and Silver for two reasons. Firstly, we continue to believe that there is a distinction between physical gold and the shares, with gold mining companies benefitting from rising gold prices (and the associated increase in profitability for gold mining stocks) which is yet to be fully realised in the share price.

Secondly, at the time of purchase, the gold/silver ratio was c98:1. Whilst this is not as high as the reading of c.113:1 earlier this year, this is still extremely stretched relative to long-term historical data. We believe there is value to be gained from holding silver as well as gold.

Looking at government bonds, with Brexit back in focus, we saw the UK 10-year bond yield fall over the quarter. However, more importantly, the UK two-year yield dropped below zero for the first time, prompting discussions from the central bank about the possibility of negative interest rates. We have kept our exposure in inflation linked bonds at the same level on the back of this.

Charlotte Square Income Uplift Strategy Performance





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Total Return	Charlotte Square Income Uplift Strategy Portfolio	UK RPI Inflation
3 Months	9.2%	0.3%
1 Year	5.0%	1.2%
3 Years	11.5%	7.7%
5 Years	22.4%	13.2%
Since 31/12/2010	64.5%	26.7%

Source: Charlotte Square, CS Investment Managers, Raymond James and Office for National Statistics data as at 30/06/20.

Asset Allocation

Top 10 Holdings	%	Overall Sector Breakdown as at 30 June 2020
WisdomTree Physical Gold	6.2	
BH Global	4.5	
Schroder Strategic Credit	4.3	
Barclays US TIPS	3.8	
Merian Gold & Silver	3.7	
Sequoia Economic	3.5	
Civitas Social Housing	3.5	
NextEnergy Solar	3.5	
Urban Logistics	3.4	
Dodge & Cox US Stock Fund	3.2	

Source: Charlotte Square, CS Investment Managers, Raymond James, data as at 30/06/2020

Performance figures are indicative, drawn from a stylised aggregate portfolio constructed from individual discretionary Income Uplift Portfolios managed by Charlotte Square and CS Investment Managers. The figures are calculated on a monthly basis, net of the Annual Management Charge and additional Dealing Charges, and are adjusted for cash contributions and withdrawals. Please note that the 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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