

FOCUSING ON

MI Charles Stanley  
Monthly High  
Income Fund



# Focusing on high, sustainable income in a low-yield environment – with low overall costs

Today, more than ever before, investors struggle to find ways of accessing an attractive level of sustainable income. Many financial advisers encounter this challenge when seeking higher yield solutions for their clients. In addition there is a wider challenge to hold out reasonable prospects of capital growth.

At the same time, all types of investors are looking for greater value from their investment managers and to benefit from low charges, even when funds are expertly managed.

We believe that our MI Charles Stanley Monthly High Income Fund provides an attractive solution. For investments from as little as £1000, it gives you access to a closely monitored, multi-asset fund that aims to generate a high and sustainable income with realistic potential for capital growth.

## Our 10 year performance demonstrates a proven strategy

PERFORMANCE (Total Returns)	Sep 16 - Sep 17	Sep 15 - Sep 16	Sep 14 - Sep 15	Sep 13 - Sep 14	Sep 12 - Sep 13	3 YEARS	5 YEARS	10 YEARS	SINCE INCEPTION 13/03/06
MI Charles Stanley Monthly High Income	3.2	6.7	2.4	4.4	6.4	12.8	25.3	63.1	64.3
(IA) mixed investments 0%-35% shares	3.2	10.3	0.8	4.1	4.4	14.7	24.6	42.3	47.5
Quartile ranking	2	4	2	2	1	3	2	1	1

Source: Financial Express Analytics at 30 September 2017 Total Return, Sterling, net income reinvested. Returns are based on the C share class and have been extended, at FE's discretion, to give a sense of a longer track record of the fund as a whole. C shares launched 10th December 2012. Past performance is not a reliable indicator of future results.



While always seeking to preserve capital and even grow it over time, our priority is to maintain the Fund's high gross yield if possible."

Chris Ainscough, Co-manager, MI Charles Stanley Monthly High Income Fund

# Why choose MI Charles Stanley

The fund is designed for investors – both small and large – who wish to enjoy a regular monthly income, while also wanting to preserve the value of their investment and have the potential for capital growth.

Advisers may consider recommending this fund because of its combination of security, investment flexibility and competitive costs. While predominantly invested in UK Government and corporate bonds, the managers are unconstrained by benchmarking and can choose to hold other instruments, including cash, to preserve liquidity.

Clients who qualify to hold the fund in an ISA or SIPP wrapper (or clients who are charities) can also benefit from tax efficiencies.

## OVERVIEW – 7 KEY POINTS

- ▶ Consistently high income (4.4%\*) paid monthly
- ▶ Long-term track record demonstrating a proven strategy
- ▶ Distribution fund status (minimum 60% fixed income) allows income to be treated as interest rather than dividend
- ▶ Flexible, unconstrained approach – no benchmarking
- ▶ Low-cost multi-asset solution with high diversification to deliver low volatility
- ▶ Robust credit quality control – minimum 45% in investment grade fixed income and cash
- ▶ Annual management charge of 0.75% giving an all-inclusive ongoing charges figure of 0.83%

\*Gross yield for Class C Inc shares, net of charges, for the 12-month period ended 30 September 2017. The yield figure shown is not guaranteed and may change in the future, dependent on the underlying holdings in the fund and their individual yield changes, which may go up or down.

## A flexible approach to meet your clients' income objectives

Our investment managers take a flexible approach, unconstrained by index benchmarks. All that matters is our objective, to provide clients with a high and reliable income, while potentially increasing the value of the investment over time.

To meet this objective we create a portfolio consisting predominantly of UK corporate bonds, government securities, high yielding equities and preference shares. We may also choose to hold collective investment schemes, and a high level of cash and money market instruments.

Diversity is important, with a balanced spread of assets. We hold both high yield and investment grade debt, of both long and short duration. Currently we have some 120 holdings (as at end September 2017).

We are also nimble. As a relatively small high income fund, we are able to seek out value in small and mid-cap companies, which have insufficient volume to be targeted by the larger, established funds.

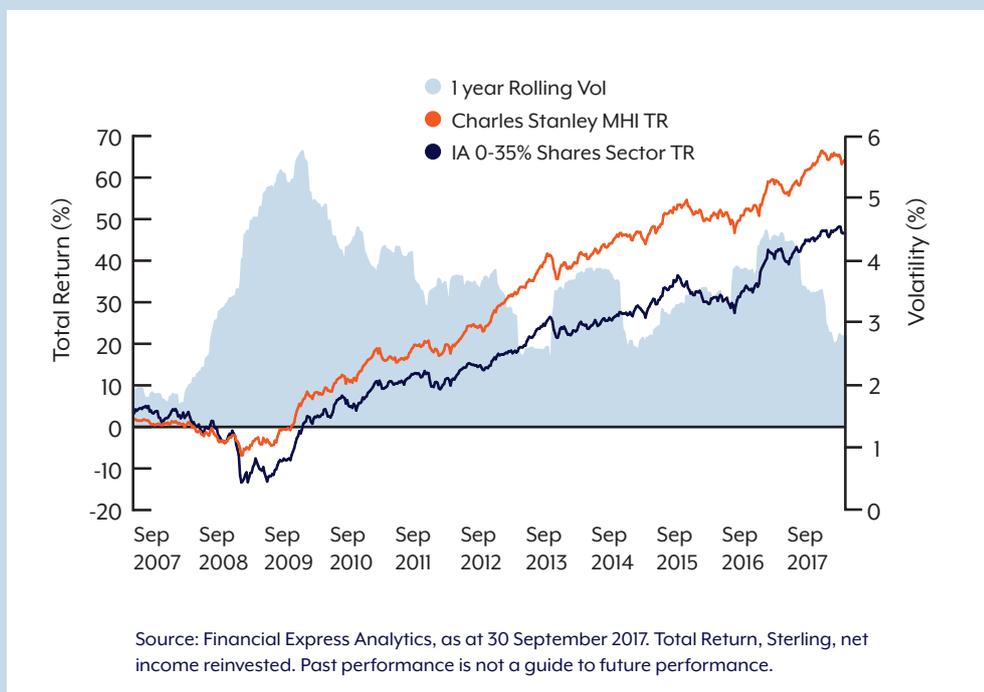
# Why Monthly High Income Fund?

Similarly, we can buy bonds or equities which are under-researched and which our analysis identifies as offering good relative value.

As a further safeguard, the fund keeps a generous liquidity buffer, with a high proportion of gilts and some 3% in cash. This means that in times of particular market volatility, we can avoid being a forced seller.

Our policy is to maintain at least 60% of the value of the fund in Government and corporate bonds. This way, even though we are a multi-asset fund, we keep our distribution fund status. This in turn means that we can pay out income generated as interest which can be beneficial from a tax perspective for some clients.

Naturally, the success of any fund depends on the skill and expertise of the investment managers, and their ability to follow a sound and disciplined methodology.



This is why we have developed a unique screening system to detect instruments we believe offer excellent present value, and which are also well supported. Strong bottom-up analysis defines this fund.

## Our investment approach.

1

### Global Markets

Conduct fundamental macroeconomic analysis utilising the output from the CS Investment Strategy Committee. We then overlay this with dynamic tactical decisions, driven by the regular oversight of our portfolio management team.

2

### Comprehensive investment universe

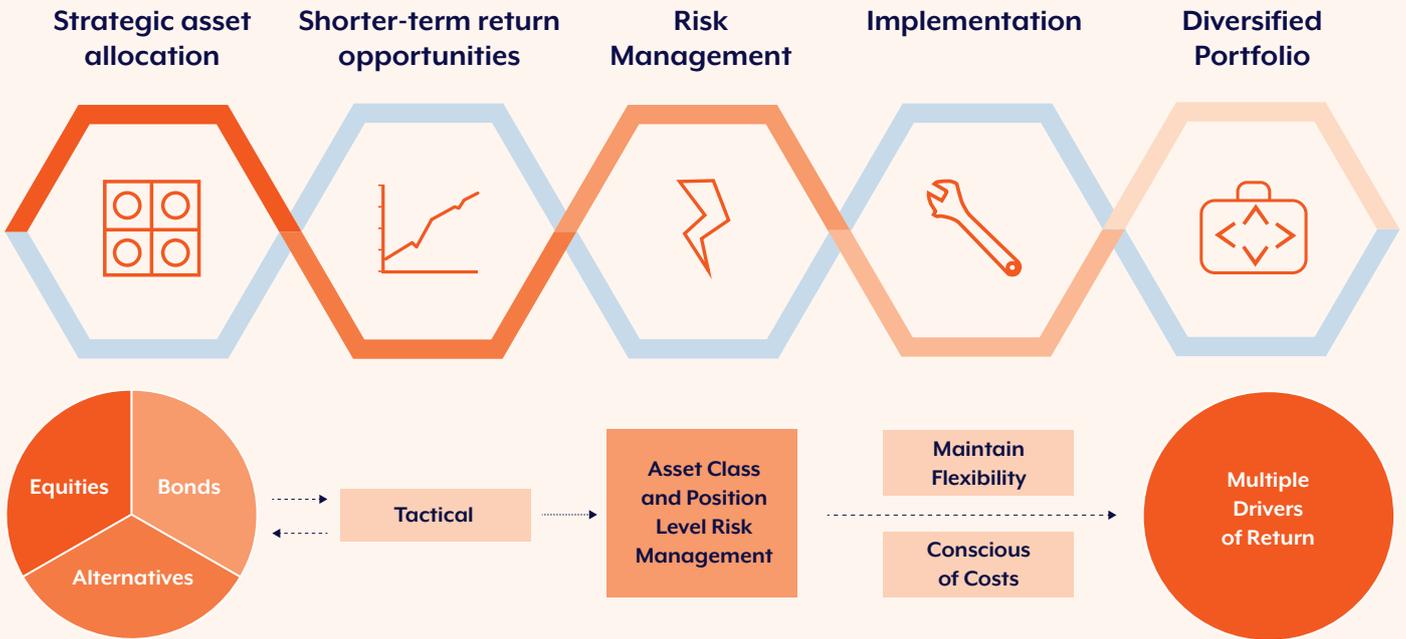
Our Monthly High Income Fund can hold most types of asset classes. These include equities, bonds and alternatives – as well as cash. We can target areas of relative value in the capital structure of companies.

3

### Long and short-term perspectives

We distinguish between long and short-term decisions. Our long-term decisions are more fundamental in nature, while we also make short-term decisions to react to specific market events - benefiting from opportunities or taking action to try to avoid problems.

# Central investment process



We use a Strategic Asset Allocation model as a starting point. This allows us to combine our own views on long term asset returns with those implied by the market.

We maintain the flexibility to adjust Asset Allocation views within defined risk parameters.

This generates opportunities across all asset classes.

We use risk modelling systems to estimate our overall level of risk and contribution by asset class or strategy.

We use scenario analysis to estimate our return profile under different economic scenarios. We use these estimates to confirm these returns are consistent with our performance objectives.

Strategy is implemented through passive and active funds as well as directly in individual Equities and Fixed Income Securities.

This results in a low cost multi asset solution with high diversification.

4

## Optimising asset allocation

We design the asset allocation of the fund with great care. We use our proprietary process to achieve a mix of asset classes considered likely to give the best returns. We will build into this our views on duration, volatility and credit spreads.

5

## Capital preservation

We recognise that risk is more than a measure of volatility. Managing risk is about gauging the likelihood and extent of permanent loss of capital. Preserving capital is just as important as capital gains.

6

## Regular review

We review the fund's asset allocation and security selection regularly to ensure an optimal mix of underlying exposures. This can also be varied at any time should market conditions change suddenly.

## How you can find out more

For more information about the MI Charles Stanley Monthly High Income Fund, please contact a member of our Intermediaries Sales team.

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### Available on all leading platforms

To provide responsive access to client accounts and to keep operating costs low, we make our MI Charles Stanley Monthly High Income Fund available on a range of wrap platforms. If you would like more information about using these platforms, please contact us.

You can also invest into the MI Charles Stanley Monthly High Income Fund direct by contacting Maitland on 0345 308 1456 or by visiting their website at: [www.maitlandgroup.com/fund-data/mi-charles-stanley-monthly-high-income-fund/](http://www.maitlandgroup.com/fund-data/mi-charles-stanley-monthly-high-income-fund/)

Please see below for Share Class details.

	SEDOL	ISIN
C Acc	B92V304	GB00B92V3044
C Inc	B92V326	GB00B92V3267

The value of investments can fall as well as rise. Investors may get back less than invested.

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