

MI Charles Stanley Monthly High Income Fund

Investment objective and policy

The objective of the MI Charles Stanley Monthly High Income Fund is to generate a high income with the potential for capital growth from a portfolio consisting of UK bonds, government securities, high yielding equities and preference shares. There may be occasions when we chose to hold collective investment schemes and a high level of cash and money market instruments.

Investors with a long-term time horizon who can accept that their investment will be subject to modest fluctuations in share price may wish to consider this fund.

Portfolio facts

Launch Date	Fund Type	Denomination
13-Mar-06	UCITS OEIC	Sterling
Fund size	Domicile	ISA/SIPP Eligible
£ 69.09 M	UK	Yes
Investment Manager		
Charles Stanley & Co. Limited		
Authorised Corporate Director		
Maitland Institutional Services Limited		

Latest commentary

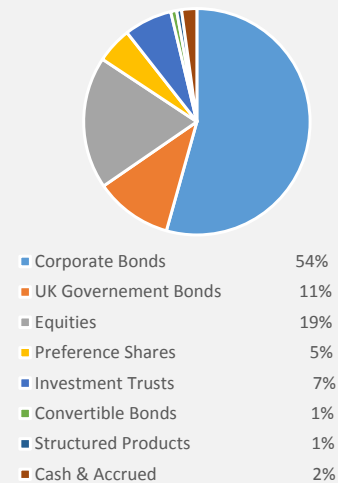
The fund reported a total return of 1.0% in February compared to an average of 0.5% by our peers in the IA Mixed Investment 0-35% Shares sector. (Source: Financial Express Analytics as at 28th February 2019, pounds sterling, bid-to-bid, net of ongoing charges and fees, net income re-invested).

Global markets continued to rebound through February as supportive commentary continued to be released from central banks including the United States Federal Reserve. Trade negotiations took part between the US and China and markets have taken the fact that they are at least at the table to be a positive. The decision by US officials to delay the increase on existing tariffs which were due to come in on the 1st March boosted hopes that the two sides were moving towards a resolution, although nothing is yet declared and signed. Closer to home the Brexit cliff edge continues to loom, with further delays to the “meaningful vote” putting this now within just a few weeks of the scheduled departure date. Both equity and fixed income markets do appear to be relatively sanguine about the potential for a disorderly exit with a rally in sterling late in the month widely being touted as due to a reduced chance of a no-deal. We are slightly concerned that there may be a mispricing of the risk in the market should UK politicians either intentionally or accidentally execute on a no-deal exit.

We added a new holding in the Sainsbury's Bank 6% 2027 bond to the portfolio during the month and exited a holding in the Virgin Money 7.875% Perpetual. We think that the Sainsbury's bond offers good value and represents an “under-researched” security with only £175m of debt outstanding. The Virgin Money bond was sold prior to the first call date, at which the issuer has the option to buy it back from investors at 100, later this year. Headlines were written and the market spooked when Santander opted not to do this with one of their outstanding bonds given the market expectation that they would. While we expect Virgin Money will buy the bonds back, we fear that the price will fall substantially if not and so have exited the holding.

A Canadian firm announced a takeover bid for our holding in Dairy Crest at a price of 620p and given that they started February at around 485p this represented a substantial gain. The shares traded up above the offer level, which might be due to expectations of a higher offer or possibly due to short sellers covering, so we sold out. We think it unlikely that a revised higher offer is made nor that a counter bid is received from another party. The holding was replaced with a position in Unilever which had sold off from recent highs. At current valuations and with an estimated dividend yield of 3.5% we see them as an attractive long term compounder with a first class portfolio of products.

Asset allocation



Top ten holdings

Top ten holdings	%
Cash & Accrued Interest (GBP)	2.8
UK Treasury 4.75% 07/03/2020	2.3
Treasury 8% 07/06/2021	2.0
BlackRock North American Inc Trust	1.6
UK Treasury 1.625% 22/10/2028	1.5
Treasury 4.5% 07/03/2019	1.5
Treasury 4.25% 07/12/2027	1.4
Treasury 5% 7/03/2025	1.4
Foresight Solar Fund	1.2
Scottish Widows Plc 5.5% 16/06/2023	1.2

Figures subject to rounding.

Performance

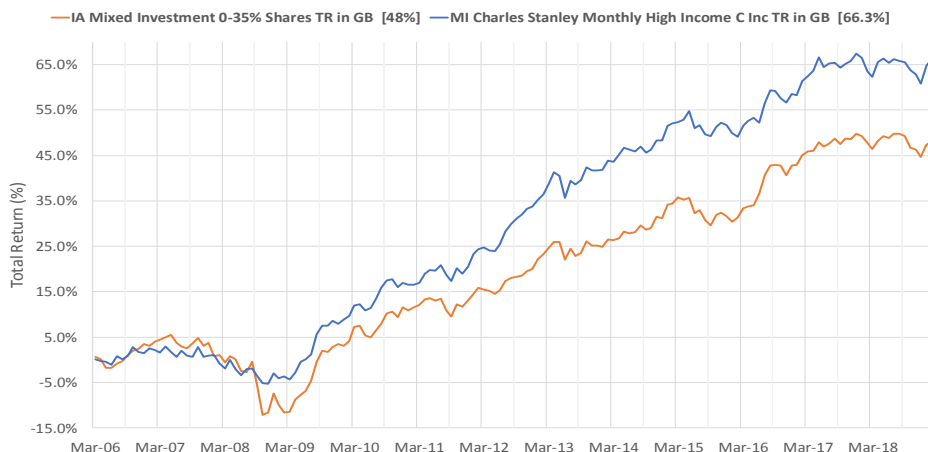
Share Class	Feb 18 - Feb 19	Feb 17 - Feb 18	Feb 16 - Feb 17	Feb 15 - Feb 16	Feb 14 - Feb 15	3 Years	5 Years	10 Years	Since Inception
MI Charles Stanley Monthly High Income	1.8	1.3	8.2	-1.9	5.7	11.5	15.6	72.7	66.3
IA Mixed Investment 0-35% Shares	0.2	1.8	10.5	-2.3	6.2	12.7	17.0	67.5	48.1
Quartile	1	2	4	2	3	3	3	2	1

Source: Financial Express Analytics at 28/02/19 Total Return, Sterling, bid-to-bid, net income reinvested, net of ongoing charges and fees. 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. A Shares launched 13th March 2006. Past performance is not a reliable indicator of future results.

All data as at 28th February 2019

Source: Charles Stanley & Co. Limited

Performance Since Inception - 13/03/2006



Source: Financial Express Analytics at 28/02/19. Past performance is not a reliable indicator of future results.

Fund Rating



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Fund Managers

Chris Ainscough -
 chris.ainscough@charles-stanley.co.uk
Jeremy Spain -
 jeremy.spain@charles-stanley.co.uk
Analyst
Morgan Bocchetti -
 morgan.bocchetti@charles-stanley.co.uk

Share class details

Share Class	Initial Charges %	Ongoing Charges %	Share Price (p)	Yield %	ISIN	Sedol
C Inc	0.00	0.83	97.0	4.7	GB00B92V3267	B92V326
C Acc	0.00	0.83	122.8	4.4	GB00B92V3044	B92V304
A Inc	0.00	1.08	94.2	4.6	GB00B09CC118	B09CC11
A Acc	0.00	1.08	166.1	4.3	GB00B09CC332	B09CC33

The A share classes are closed to new investments. The Gross Yield reflects distributions made over the past twelve months as at the date shown on this factsheet. The fund's ongoing charge is charged to capital to maximise the distributions and investors may be subject to tax on these distributions. Yields are not guaranteed and may vary in the future.

FIND OUT MORE

020 7149 6437
 asset.management@charles-stanley.co.uk
www.charles-stanley.co.uk
 Charles Stanley & Co. Limited
 55 Bishopsgate
 London EC2N 3AS

SUBSCRIPTIONS

0345 308 1456
 020 7739 7798
charlesstanley@maitlandgroup.co.uk
 Maitland Institutional Services Ltd
 Springfield Lodge
 Colchester Road
 Chelmsford, CM2 5PW

PLATFORMS

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 ➤ Ascetric ➤ Transact
 ➤ Elevate ➤ AJ Bell
 ➤ Novia ➤ CSD
 ➤ Aviva ➤ Aegon

For full details about how to invest, the administration of your investment and further information about the risks, please read the Prospectus, Key Investor Information Document (KIID) and Supplementary Information Document (SID), which can be obtained from Maitland's website at www.maitlandgroup.com

The value of investments, and the income derived from them, can go down as well as up and may be affected by exchange rate variations. You may not get back what you originally invested. Past performance is not a reliable indicator of future returns.

The fund may invest more than 35% in securities issued by any one or more of the governments listed in the fund prospectus. Such exposure may be combined with the use of derivatives in pursuit of the fund objective. It is not currently envisaged that the fund's exposure to such securities may exceed 35%. The information contained in this Financial Promotion does not constitute advice or a personal recommendation, nor does it constitute an invitation to purchase shares. Investments should be made on the basis of the Prospectus, Key Investor Information Document (KIID), and Supplementary

Information Document (SID) available from Maitland Institutional Services Limited on request. We recommend that you seek advice concerning suitability from a regulated financial adviser. Maitland Institutional Services Limited is the Authorised Corporate Director of the Charles Stanley Investment Funds and is authorised and regulated by the Financial Conduct Authority, Registered in England No. 6252939. Registered Office: 2nd Floor, Springfield Lodge, Colchester Road, Springfield, Chelmsford, Essex CM2 5PW.

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