

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.

Latest commentary

The fund reported a total return of -0.51% in May compared to an average of -0.04% by our peers in the IA Mixed Investment 0-35% Shares sector. (Source: Financial Express Analytics as at 31st May 2019, pounds sterling, bid-to-bid, net of ongoing charges and fees, net income reinvested).

Most asset classes were having a strong 2019 up until the end of April. As it transpired, May was a big 'risk-off' month with the trend accelerating into the last week. Equities bore the brunt of the sell-off with the S&P and FTSE 100 seeing total returns of -6.4% and -2.9% for the month respectively. Geopolitical tensions were the driver of the change in sentiment with the trade war between the US and China intensifying and the US announcing new tariffs on trade with Mexico. The escalation in tensions served to reignite fears of a global economic downturn and has ensured that central banks will remain on an accommodative footing in the near term. In the fixed income markets the 10-year German government bond hit a new multi-year record low yield of -0.20%, with the 10-year UK gilt dropping back below 1% to end the month at a yield of 0.89%.

We made a number of changes to the fund during the month. In the fixed income markets, we bought the 4.48% 2028 bond issued by Quilters who are a financial group spanning IFAs, investment platforms and discretionary fund management. We like the company's structure and its potential to capture a large proportion of new and maturing assets, as well as discretionary savings. We also bought the 4.875% 2078 (call in 2025) bond issued by Vodafone. This was opportunistic as concerns surrounding cash flow generation have eased following a renewed focus on cost cutting, a disciplined 5G strategy and the possible disposal of assets to deleverage the balance sheet. We bought the 3.75% 2029 bond issued by the Leeds Building Society. They are the fifth largest building society in the UK with a strong book of loans and savings, together with solid financials. Lastly, we topped up our holding in the Direct Line 4.75% Perpetual bond at an attractive yield.

On the equity side, continuing our policy of diversification across the sectors, we initiated a position in the DS Smith Group and PayPoint. DS Smith is a packaging business focusing upon fast moving consumer goods and e-commerce. A fall in the share price allowed an attractive entry point in order to take advantage of the company's underlying growth potential. PayPoint are the owner of the Parcel+ network and are also involved in retail payment processing and electronic terminal manufacturer.

Overall, the fund underperformed its peers in May, but continues to be one of the highest yielding funds in the sector, despite being more sensitive to credit spread and equity volatility than most; as at the 31st May the yield was 4.5%.

Performance

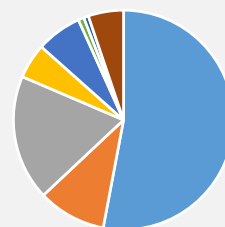
Share Class	May 18 - May 19	May 17 - May 18	May 16 - May 17	May 15 - May 16	May 14 - May 15	3 Years	5 Years	10 Years	Since Inception
MI Charles Stanley Monthly High Income	1.8	-0.2	8.7	-0.9	5.5	10.5	15.5	70.1	69.3
IA Mixed Investment 0-35% Shares	1.4	0.9	10.3	-1.2	5.8	12.9	18.0	63.9	51.4
Quartile	2	4	3	2	3	3	3	2	1

Source: Financial Express Analytics at 31/05/19 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 31st May 2019

Portfolio facts

Launch Date	Fund Type	Denomination
13-Mar-06	UCITS OEIC	Sterling
Fund size	Domicile	ISA/SIPP Eligible
£ 70.98 M	UK	Yes
Investment Manager		
Charles Stanley & Co. Limited		
Authorised Corporate Director		
Maitland Institutional Services Limited		

Asset allocation



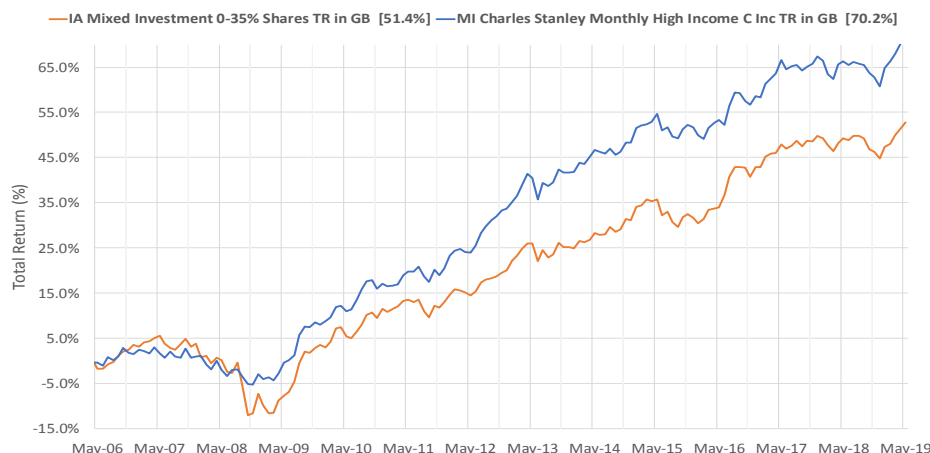
Corporate Bonds	53%
UK Government Bonds	10%
Equities	18%
Preference Shares	5%
Investment Trusts	7%
Convertible Bonds	1%
Structured Products	1%
Cash & Accrued	5%

Top ten holdings

	%
Cash & Accrued	5.6
UK Treasury 4.75% 07/03/2020	2.2
UK Treasury 1.625% 22/10/2028	2.1
Treasury 8% 07/06/2021	2.0
BlackRock N American Inc	1.6
Treasury 4.25% 07/12/2027	1.4
Treasury 5% 7/03/2025	1.3
Foresight Solar Fund	1.2
Scottish Widows 5.5% 16/06/2023	1.2
Greencoat UK Wind	1.1

Figures subject to rounding.

Performance Since Inception - 13/03/2006



Source: Financial Express Analytics at 31/05/19. Past performance is not a reliable indicator of future results.

Fund Rating



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Fund Managers

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Share class details

Share Class	Initial Charges %	Ongoing Charges %	Share Price (p)	Yield %	ISIN	Sedol
C Inc	0.00	0.83	97.7	4.5	GB00B92V3267	B92V326
C Acc	0.00	0.83	125.0	4.4	GB00B92V3044	B92V304
A Inc	0.00	1.08	94.8	4.5	GB00B09CC118	B09CC11
A Acc	0.00	1.08	169.0	4.4	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	SUBSCRIPTIONS	PLATFORMS
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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: Hamilton Centre, Rodney Way, Chelmsford, Essex, CM1 3BY, United Kingdom.

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