

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 -0.5% in August compared to a flat return of 0.0% by our peers in the IA Mixed Investment 0-35% Shares sector. (Source: Financial Express Analytics as at 31st August 2019, pounds sterling, bid-to-bid, net of ongoing charges and fees, net income re-invested).

The positive upward trend seen in markets over the quieter summer months came to an abrupt halt in August as President Trump once again ratcheted up the Trade War pressure by announcing further tariffs on Chinese imports. Intra-month the FTSE 100 Index fell over 6% before a modest bounce at the end of the month. Conflicting tweets and announcements were made by both sides and markets reacted poorly to the continued uncertainty and risk of further escalation. Against this backdrop global equities fell while sovereign bond yields continued to set new all-time lows. Speculation around the next Central Bank meetings and policy decisions continues to drive markets with the occasional Brexit or Trade headline interrupting the flow.

Within the fund our UK equities followed markets lower, though in total return terms only fell 2.1% compared to -4.1% for the FTSE 100. The financials and commodity exposed holdings within the fund were the biggest detractors while a bid for Marston's competitor Greene King pulled the whole pub sector up and contributed to a 19% total return for Marston's over the month. Within our fixed income allocation our sovereign and investment grade bonds performed well but were offset by our high yield bond allocation which fell 2% primarily due to our holdings in Burford Capital.

We sold two positions in Burford Capital debt during the month and added a new holding in the Tesco Personal Finance 3.5% 2025 bond. Burford were subject to a sustained short attack from a large US hedge fund during the month which saw its equity falling nearly 60% at one point. We had just under 2% of the fund invested in Burford bonds and while we waited for a recovery in the price after the initial "knee jerk" reaction was over, we did then decide to sell once the bonds had recovered to around the 90 price level. At a portfolio level these positions cost us 0.32% which while unfortunate, does demonstrate the benefits of our diversification discipline whereby we will not hold more than 3% in a single corporate issuer. We are actually more concerned about the political situation in Argentina impacting Burford's largest litigation case than the headlines made by the hedge fund but the business will certainly be embroiled in a tit-for-tat battle with its critics for months, if not years, to come and this will increase the cost of capital to them. We were early investors in Burford and continue to like the uncorrelated return profile that they can generate but will be sitting this one out since exiting the positions.

Overall the fund underperformed its peers in August but continues to be one of the highest yielding funds in the sector. As at the 31st August the yield was 4.4%.

Performance

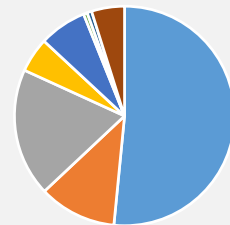
Share Class	Aug 18 - Aug 19	Aug 17 - Aug 18	Aug 16 - Aug 17	Aug 15 - Aug 16	Aug 14 - Aug 15	3 Years	5 Years	10 Years	Since Inception
MI Charles Stanley Monthly High Income	4.3	0.2	3.8	6.5	1.8	8.5	17.7	63.8	73.0
IA Mixed Investment 0-35% Shares	4.2	0.7	4.2	9.2	0.9	9.2	20.4	56.8	56.0
Quartile	2	2	3	4	2	3	3	1	1

Source: Financial Express Analytics at 30/08/19 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 30th August 2019

Portfolio facts

Launch Date	Fund Type	Denomination
13-Mar-06	UCITS OEIC	Sterling
Fund size	Domicile	ISA/SIPP Eligible
£ 71.68 M	UK	Yes
Investment Manager		
Charles Stanley & Co. Limited		
Authorised Corporate Director		
Maitland Institutional Services Limited		

Asset allocation



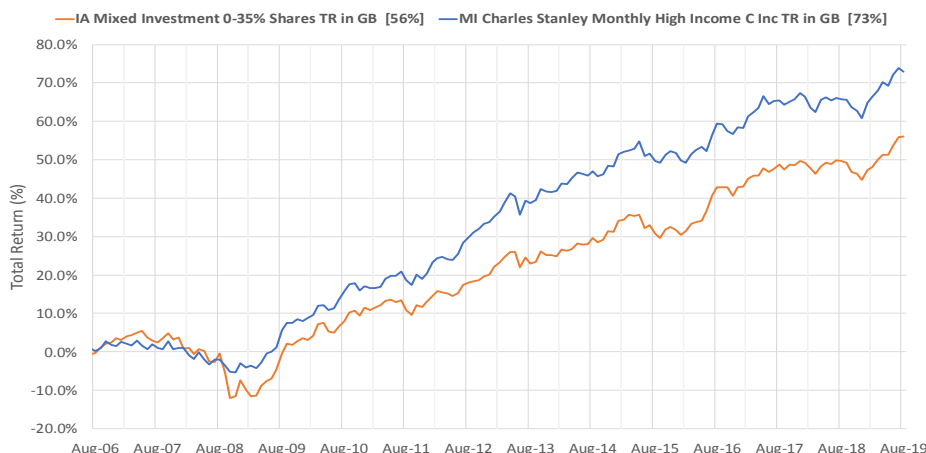
Corporate Bonds	52%
UK Government Bonds	11%
Equities	19%
Preference Shares	5%
Investment Trusts	7%
Convertible Bonds	1%
Structured Products	1%
Cash & Accrued	5%

Top ten holdings

	%
Cash & Accrued	5.2
UK Treasury 1.625% 22/10/2028	2.2
UK Treasury 4.75% 07/03/2020	2.1
UK Treasury 8% 07/06/2021	1.9
BlackRock N American Inc Trust	1.7
UK Treasury 4.25% 07/12/2027	1.4
UK Treasury 1.5% 22/01/2021	1.4
UK Treasury 5% 7/03/2025	1.3
Foresight Solar Fund	1.3
Scottish Widows Plc 5.5% 16/06/2023	1.2

Figures subject to rounding.

Performance Since Inception - 13/03/2006



Source: Financial Express Analytics at 30/08/19. Past performance is not a reliable indicator of future results.

Fund Rating



Dynamic Planner® is a registered trademark of Distribution Technology.

Fund Managers

- Chris Ainscough** -
chris.ainscough@charles-stanley.co.uk
- Jeremy Spain** -
jeremy.spain@charles-stanley.co.uk
- Analyst**
- Morgan Bocchietti** -
morgan.bocchietti@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	98.6	4.4	GB00B92V3267	B92V326
C Acc	0.00	0.83	127.7	4.3	GB00B92V3044	B92V304
A Inc	0.00	1.08	95.7	4.4	GB00B09CC118	B09CC11
A Acc	0.00	1.08	172.5	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	SUBSCRIPTIONS	PLATFORMS
<ul style="list-style-type: none"> 020 7149 6437 asset.management@charles-stanley.co.uk www.charles-stanley.co.uk <p>Charles Stanley & Co. Limited 55 Bishopsgate London EC2N 3AS</p>	<ul style="list-style-type: none"> 0345 308 1456 020 7739 7798 charlesstanley@maitlandgroup.co.uk <p>Maitland Institutional Services Ltd Hamilton Centre, Rodney Way Chelmsford Essex, CM1 3BY</p>	<ul style="list-style-type: none"> Cofunds Nucleus Ascentric 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

Important Information

The value of investments, and any income derived from them, can fall as well as rise and may be affected by exchange rate variations. Investors may get back less than invested.

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.

This document has been approved and issued by Charles Stanley & Co. Limited. Unless a specific source is given, Charles Stanley & Co. Limited is the source of the information within this document. The information in this document is based upon sources we believe to be reliable, but its accuracy cannot be guaranteed. Charles Stanley is a trading name of Charles Stanley & Co. Limited, which is authorised and regulated by the Financial Conduct Authority. A member of the London Stock Exchange. Registered in England No. 01903304. Registered address: 55 Bishopsgate, London EC2N 3AS.