

BMO Managed Portfolio Trust PLC Income Portfolio



September 2019

Manager Commentary
Peter Hewitt



Historically, August has often proven to be a volatile month for global equity markets. This year, once again, August has not disappointed in that regard. A number of factors were behind the sell-off this month, with the further escalation in US-China trade tensions at the top of the list. Investors viewed more tariffs, imposed by both sides, as bad for growth globally. Normally, the decision from the US Federal Reserve to cut interest rates would be a positive for equity markets; however, such is the level of concern – particularly from bond markets – that more needs to be done to avert a possible future recession in the US, that equities were affected. The yield curve in the US has inverted; if this inversion persists, it has a good record of predicting recession over the next 12-18 months. On top of these developments, there was further Brexit uncertainty for the UK market to deal with. A combination of all these factors caused a sharp retracement in many equity markets and served to reinforce cautious sentiment among investors.

Against this background, the FTSE All Share Index and the FTSE Equity Investment Instruments Index declined by 3.6% and 2.6%, respectively (both in total return terms). The Net Asset Value of the Income Portfolio was down by 2.5%.

Key facts as at 30.08.2019

Trust aims: The objective for the Income Portfolio is to provide income shareholders with an attractive level of income, with the potential for income and capital growth from a diversified portfolio of investment companies. The Income Portfolio invests in a diversified portfolio of at least 25 investment companies that have underlying investment exposures across a range of geographic regions and sectors and that focus on offering an income yield above that of the FTSE All - Share Index.

Benchmark: FTSE All-Share Index

Fund type: Investment Trust

Launch date: April 2008

Total assets – portfolio: £63.6 million

Total assets – company: £137.6 million

Share price: 134.50p

NAV: 132.79p

Discount/Premium(-/+): 1.3%

Dividend payment dates: Jan, Apr, Jul, Oct

Net dividend yield †: 4.4%

Net gearing/Net cash*: -6.1%/0.0%

Management fee rate:** 0.65%

Ongoing charges:** 1.08%

Year end: 31 May

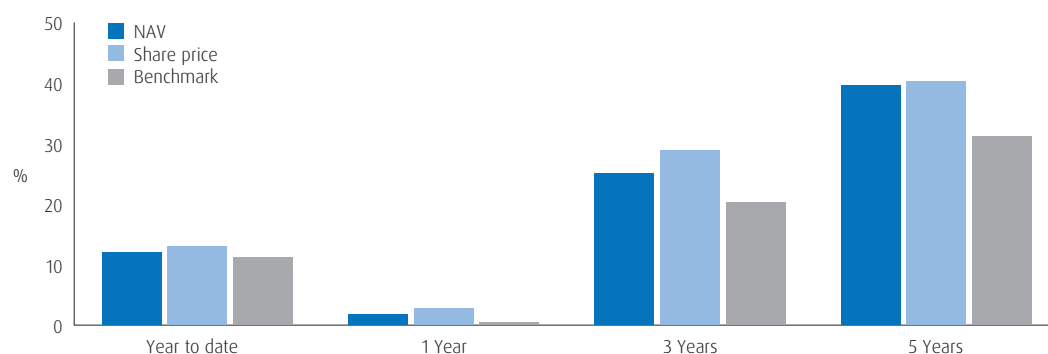
Sector: Flexible Investment

Currency: Sterling

Website: bmomanagedportfolio.com

**Ongoing charges is calculated excluding performance fee and excluding charges of the Company's underlying investments. Please refer to the latest annual report.

Fund performance as at 30.08.2019



Cumulative performance (%) as at 30.08.2019

	1 Month	Year to date	1 Year	3 Years	5 Years
NAV	-2.5	11.9	1.8	25.0	39.5
Share price	-1.47	12.95	2.67	28.87	40.19
Benchmark	-3.57	11.12	0.44	20.20	31.17

Discrete performance (%) as at 30.08.2019

	2019/2018	2018/2017	2017/2016	2016/2015	2015/2014
NAV	1.8	3.9	18.1	9.3	7.9
Share price	2.67	4.06	20.62	6.88	1.79
Benchmark	0.44	4.68	14.33	11.73	-2.34

Key risks

Stock market movements may cause the value of investments and the income from them to fall as well as rise and investors may not get back the amount originally invested. Changes in rates of exchange may have an adverse effect on the value, price or income of investments. If markets fall, gearing can magnify the negative impact on performance.

Past performance is not a guide to future performance.

Source: Lipper and BMO. Basis: Percentage growth, total return, bid to bid price with net income reinvested in sterling. The discrete performance table refers to 12 month periods, ending at the date shown.

Lines may be recorded

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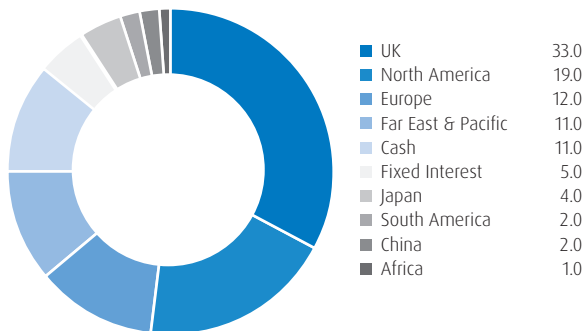
Trust codes

Stock exchange code	Sedol
BMPI	B2PP3J3

Top 10 holdings (%)

	% of net assets	Sector
Secure Income REIT	3.7	Property Specialist
3i Infrastructure	3.4	Infrastructure
Law Debenture Corporation	3.4	Global
BB Biotech	3.4	Biotechnology & Healthcare
Scottish American	3.3	Global Equity Income
JPMorgan Global Growth & Income	3.3	Global Equity Income
NB Private Equity Partners	3.3	Private Equity
Invesco Perpetual UK Smaller Companies Investment Trust	3.2	UK Smaller Companies
BB Healthcare	3.2	Biotechnology & Healthcare
Murray International Trust	3.2	Global Equity Income

Geographical breakdown (%)



The geographical breakdown of the Portfolio's investments is on a 'look-through' basis. Source: BMO and AIC.

Net dividend distributions pence per share (paid to date)

	2014	2015	2016	2017	2018	2019
January	1.10	1.15	1.20	1.25	1.30	1.35
April	1.10	1.15	1.20	1.25	1.30	1.35
July	1.50	1.55	1.60	1.70	1.80	1.90
July - special dividend	-	-	-	-	0.80	
October	1.15	1.20	1.25	1.30	1.35	
Total	4.85	5.05	5.25	5.50	6.55	4.60

Glossary

Bid price Investment trust shares are sold via the stock exchange at the bid price. This price is determined by supply and demand.

Dividend Income paid to shareholders by the company they invest in.

Net asset value A key measure of the value of a company or trust – the total value of assets less liabilities, divided by the number of shares.

All data as at 30.08.2019 unless otherwise stated.

All information is sourced from BMO, unless otherwise stated. Except where noted, all percentages are based on gross assets. *Net gearing is total assets less cash and cash equivalents divided by shareholders' funds and expressed as a percentage. Net cash is net exposure to cash and cash equivalents expressed as a percentage of shareholders funds after any offset against gearing. **Please refer to the latest annual report as to how the management fee and performance fee is structured along with an explanation of the calculation. Please note ongoing charges of the Company's underlying investments have not been included. The share price may either be below (at a discount) or above (at a premium) the NAV. Discounts and premiums vary continuously. Performance information excludes any product charges which can be found in the Key Investor Document ("KID") for the relevant product. †Based on dividends at the annual rate of 5.95 pence per Income share for the financial year 31 May 2019. Views and opinions have been arrived at by BMO Global Asset Management and should not be considered to be a recommendation or solicitation to buy or sell any funds that may be mentioned. The factsheet is issued and approved by BMO, a trading name of BMO Asset Management Limited. Authorised and regulated in the UK by the Financial Conduct Authority. Registered office: Exchange House, Primrose Street, London EC2A 2NY. Registered in England & Wales No 517895. (09/19)