

# BMO Managed Portfolio Trust PLC Income Portfolio



February 2019

Manager Commentary  
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After the turbulence and volatility that most equity markets experienced during the fourth quarter of 2018, January was quite different in tone. Global equity markets mounted a decent recovery that began in the final few days of last year and continued steadily throughout the month. Although the trade wars between the US and China and the outcome of Brexit for the UK and Europe remained unresolved, the key factor behind the recovery was a clear change of policy from the US Federal Reserve (Fed) regarding interest rates. The most recent increases in US rates had unnerved financial markets, and with more rises signalled by the Fed for 2019, investors took the view that the possibility of a recession in the US had increased. However, at their December meeting just before Christmas, policy makers paused interest rate rises. They also indicated that signs of slower growth in the US

and softness in the wider global economy mean rate rises will be deferred in the coming months. Markets responded positively to the possibility that the US rate cycle may be close to a peak.

Against this background, the FTSE All Share Index rose by 4.2%, while that of the FTSE Equity Investment Instruments Index experienced a gain of 4.7% (both figures are total returns).

The Net Asset Value (NAV) of the Income portfolio was ahead by 5.2% (also in total returns). Two of the leading contributors were in the biotech and healthcare sectors, where recent merger and acquisition activity was supportive of share prices. The gainers were BB Biotech which rose 16%, and BB Healthcare which rose by 11%.

## Key facts as at 31.01.2019

**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:** £59.9 million

**Total assets - company:** £130.7 million

**Share price:** 128.50p

**NAV:** 127.89p

**Discount/Premium(-/+):** 0.5%

**Dividend payment dates:** Jan, Apr, Jul, Oct

**Net dividend yield †:** 4.6%

**Net gearing/Net cash\*:** -4.8%/0.0%

**Management fee rate\*\*:** 0.65%

**Ongoing charges\*\*:** 1.07%

**Year end:** 31 May

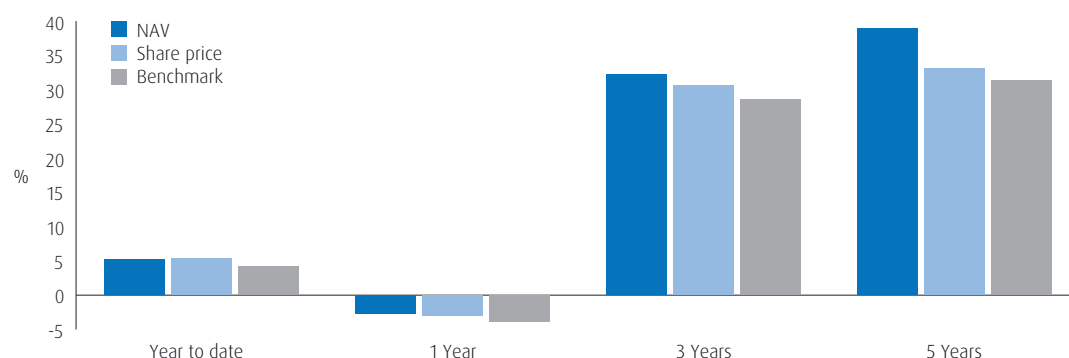
**Sector:** Flexible Investment

**Currency:** Sterling

**Website:** [bmomanagedportfolio.com](http://bmomanagedportfolio.com)

\*\*Please refer to the latest annual report as to how the fee is structured.

## Fund performance as at 31.01.2019



## Cumulative performance (%) as at 31.01.2019

	1 Month	Year to date	1 Year	3 Years	5 Years
NAV	5.2	5.2	-2.7	32.2	38.9
Share price	5.33	5.33	-2.93	30.61	33.02
Benchmark	4.18	4.18	-3.83	28.49	31.24

## Discrete performance (%) as at 31.01.2019

	2019/2018	2018/2017	2017/2016	2016/2015	2015/2014
NAV	-2.7	13.1	20.1	-4.4	9.9
Share price	-2.93	14.37	17.65	-5.12	7.34
Benchmark	-3.83	11.28	20.06	-4.63	7.11

## 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.

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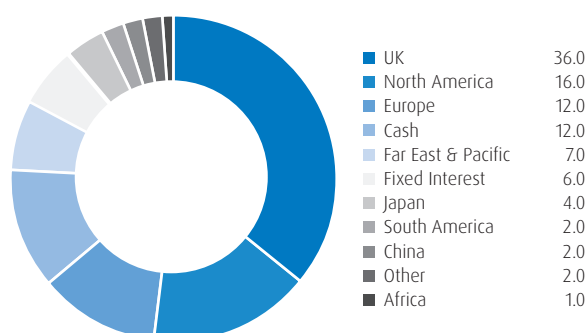
[info@bmogam.com](mailto:info@bmogam.com)

[www.bmoinvestments.co.uk](http://www.bmoinvestments.co.uk)

Trust codes	
Stock exchange code	Sedol
BMPI	B2PP3J3

Top 10 holdings (%)		
	% of net assets	Sector
Law Debenture Corporation	3.7	Global
BB Healthcare	3.6	Biotechnology & Healthcare
Secure Income REIT	3.6	Property Specialist
BB Biotech	3.5	Biotechnology & Healthcare
NB Private Equity Partners	3.4	Private Equity
Murray International Trust	3.4	Global Equity Income
3i Infrastructure	3.2	Infrastructure
Invesco Perpetual UK Smaller Companies Investment Trust	3.1	UK Smaller Companies
Henderson International Income Trust	3.1	Global Equity Income
JPMorgan Global Growth & Income	3.1	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	
July	1.50	1.55	1.60	1.70	1.80	
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	1.35

#### Glossary

<b>Bid price</b>	Investment trust shares are sold via the stock exchange at the bid price. This price is determined by supply and demand.
<b>Dividend</b>	Income paid to shareholders by the company they invest in.
<b>Net asset value</b>	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 31.01.2019 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 expected minimum annual rate of 5.85 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. (02/19)