

MI Downing Monthly Income Fund

October
2018



Market commentary

In September 2018, the Fund was up 0.25%, while the MSCI UK All Cap Total Return Index was up 0.79%. Key contributors were AdEPT Technology Group (up 16.05%) and FireAngel Safety Technology Group (up 28.57%). Key detractors included Plus500 (down 11.99%) and Maintel Holdings (down 11.78%).

AdEPT reported that in the six months to 30 September 2018, it made considerable progress in expanding its managed service and IT capability. This was made through organic sales from IT and managed services, and from the acquisition of Shift F7. The board is confident that forthcoming interim results in respect of the six months ended 30 September 2018 will support its progressive dividend growth policy and declared an increase of 15.3% over the interim dividend for the comparative period.

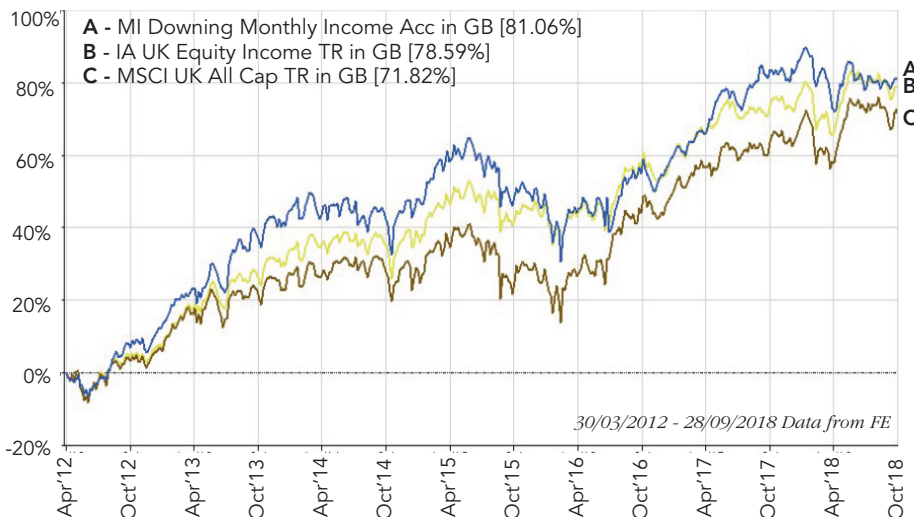
FireAngel, a leading developer and supplier of home safety and connected home products, announced its unaudited interim results for the six months ended 30 June 2018. Management stated that the group's ongoing expansion as a leading provider of integrated safety solutions will continue to support medium to long-term growth. It remains keenly focused on the core product range and markets which underpin near term revenues.

Plus500, a leading online trading platform provider for retail customers to trade contracts for difference (CFDs) internationally, announced that the founders of the company sold 9.4 million ordinary shares in the capital of the company. This was driven in part by demand from institutional investors. The founders will continue to hold in aggregate approximately 8% of the company's issued share capital, and the sale reflects their desire to diversify their investments while raising funds for personal reasons.

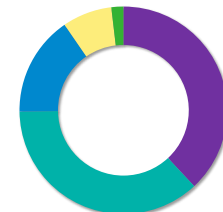
Maintel, a leading provider of communications cloud and managed services, announced interim results for the six months to 30 June 2018. Revenue was up 14%, gross profit increased to £18.2 million and adjusted EBITDA was down 2%. Management stated that performance reflected the continuing transformation of the business and the ongoing investment into higher growth areas. The board remains confident in the company's underlying cash flow and long-term prospects.

All performance figures for securities include net reinvested income where applicable. Source: Factset and FE Analytics.

Performance



Market Cap Breakdown



38.06%	< £150m
36.74%	£150m - £500m
15.62%	£500m - £1bn
7.72%	£1bn - £2bn
0.00%	£2bn - £4bn
0.00%	£4bn +
1.86%	Cash

Source: Factset

Top 10 Holdings

	% of Fund
Duke Royalty	6.26
Lok'nStore Group	4.89
Photo-Me International	4.74
Ramsdens Holdings	4.64
Warpaint London	4.52
Circle Property	3.90
Maintel Holdings	3.60
Chesnara	3.58
Urban Exposure	3.48
Morses Club	3.41
Total	43.02

Source: Maitland Institutional Services

	Cumulative performance			
	6m	1y	3y	5y
MI Downing Monthly Income Acc	4.51%	-0.86%	23.83%	32.98%
IA UK Equity Income TR index	6.91%	3.43%	27.42%	41.95%
MSCI UK All Cap TR index	8.40%	5.90%	38.83%	42.02%
Quartile ranking	4th	4th	3rd	4th

	Discrete performance				
	2017	2016	2015	2014	2013
MI Downing Monthly Income Acc	16.98%	7.65%	0.84%	1.74%	30.26%
IA UK Equity Income TR index	11.32%	8.84%	6.20%	3.16%	25.20%
MSCI UK All Cap TR index	13.09%	17.29%	0.13%	0.44%	20.62%
Quartile ranking	1st	3rd	4th	3rd	1st

Past performance is not a reliable indicator of future results.

Key Facts

Fund objective

To achieve a high level of income, together with long-term capital growth

Launch date

14 June 2010

Conversion date

1 April 2012¹

IMA sector

UK Equity Income

Currency

UK Sterling

Types of shares

Income & Accumulation

Fund size

(Income & Accumulation shares combined)
£48.1m

Yield

5.0%

Income paid

Monthly

Number of holdings

37

Prices as at 28 September 2018

Accumulation shares: 208.20p

Income shares: 139.38p

Charges

Initial charge 0%

Annual management charge 0.75%

Ongoing charges 1.00%³
charged to capital

Minimum investment

Lump sum £1,000

Subsequently £500

Monthly savings £100

SEDOL and ISIN numbers

Accumulation shares:

SEDOL B61JRG2

ISIN GB00B61JRG28

Income shares:

SEDOL B625QM8

ISIN GB00B625QM82

ACD

Maitland act as ACD and manage the administration for the Fund

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Investment Manager

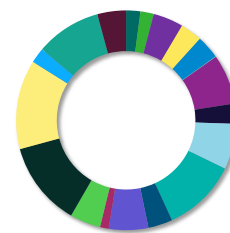
Downing LLP was appointed Investment Manager to the Fund on 1 June 2015.

Following the change of ACD, the Fund name was changed to MI Downing Monthly Income Fund from 31 March 2017.

Platforms and wraps

AJ Bell	Hargreaves Lansdown
All Funds	James Hay
Ascentric	Old Mutual Wealth
Aviva	Novia
Cofunds	Nucleus
Elevate	Standard life
Fidelity (Inst)	Transact
Fidelity (FFN)	Zurich

Sector Breakdown



2.09%	Banks
1.98%	Cash
4.44%	Construction and building materials
3.20%	Electricity
3.43%	Electronic and electrical equipment
0.06%	Food producers and processors
7.36%	General retailers
2.96%	Information technology hardware
6.74%	Insurance
10.91%	Investment companies
3.57%	Loans
5.81%	Media and photography
1.27%	Mining
4.52%	Personal care and other household products
12.45%	Real estate
13.15%	Speciality and other finance
2.24%	Support services
9.62%	Telecommunication services
4.20%	Transport

Source: Maitland Institutional Services

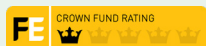
Income Distribution

Period to	Income
31/10/2017	0.6013p
30/11/2017	0.4701p
29/12/2017	0.7413p
31/01/2018	0.4053p
28/02/2018	0.7383p
29/03/2018	0.8777p
30/04/2018	0.4577p
31/05/2018	0.4513p
29/06/2018	0.6253p
31/07/2018	0.3228p
31/08/2018	0.6311p
28/09/2018	0.5787p

Source: Maitland Institutional Services and Downing LLP

Fund Manager - James Lynch

James draws on experience gained in managing an established micro-cap fund as well as time spent as a private equity and venture capital investor.



Investment committee

Stephen Whittaker: Fund Founder & Consultant

John Bearman: Independent Chairman

Judith MacKenzie: Non-Independent Member

Statistics correct as at 28/09/2018. Performance figures source: FE Analytics. Fund performance is based on accumulation shares, indices include net reinvested income. Trustnet one-crown rating for the three year performance to 31/07/18, source Trustnet/F.E. Performance figures are for the period from when the investment objective and policy were changed on 1 April 2012, so that the fund was primarily invested in equities. Past performance is not a guide to future returns. The value of the fund and the income from it may go down as well as up, so you may not get back the amount you invested. The tax treatment of the Fund may change and such changes cannot be foreseen.

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