



MI Downing Monthly Income Fund

April 2020

Portfolio commentary

In March, the fund was down 22.57% while the IA UK Equity Income Total Return Index* was down 20.64%. Key contributors were Diversified Gas & Oil (up 12.50%) and Chesnara (up 3.05%). Key detractors included Ramsdens Holdings (down 50.93%) and Morses Club (down 64.81%).

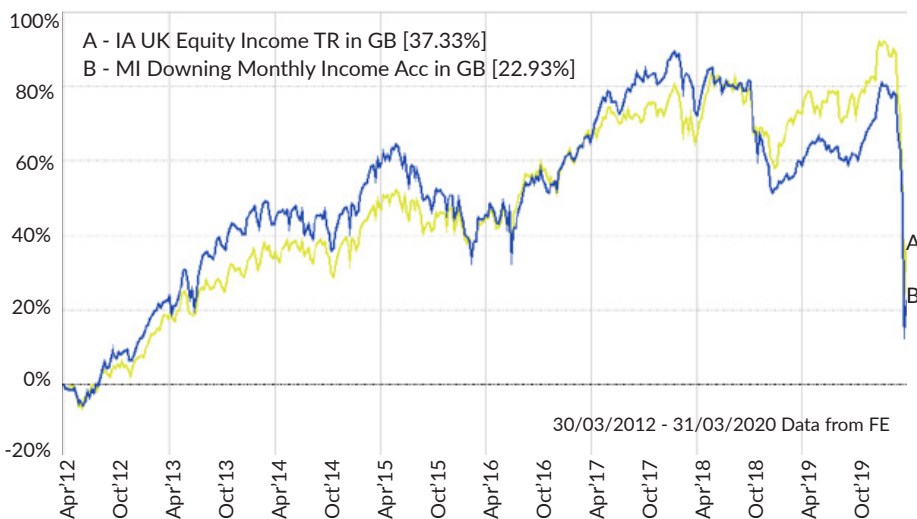
Diversified Gas & Oil, the US-based owner and operator of natural gas, natural gas liquids, and oil wells and midstream assets, announced strong results for the year ended 31 December 2019. In the period, the group achieved peak production and this, alongside a focus on operational efficiencies, has allowed the group to generate strong levels of free cash flow. This ensures that when combined with its strong hedge book and innovative financing instruments, it can create significant shareholder value while maintaining a healthy balance sheet.

Chesnara plc, the life assurance group, provided a financial and operational update following the coronavirus pandemic and associated Government guidance. The group is well capitalised, and in March 2020 its estimated solvency cover ratio was 164%, after the 2019 final dividend. The company's focus remains on ensuring that it continues to support its customers and colleagues whilst maintaining its financial and operational resilience.

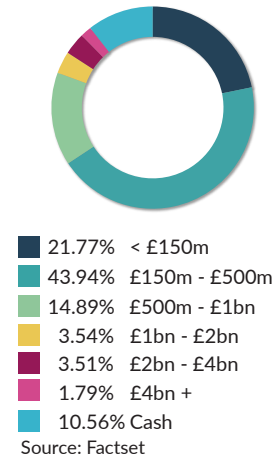
Ramsdens, the diversified financial services provider and retailer, closed all of its UK stores until further notice in adherence to Government guidance. Ramsdens has a strong balance sheet, including approximately £10 million of cash and an undrawn £10 million revolving credit facility. The group welcomes the Government support measures for businesses and plans to utilise those measures that are applicable in due course.

Morses Club, a provider of non-standard financial services, announced that the group continues to assess the impact of the coronavirus pandemic on the business. Management stated that the group remains in a robust overall financial position and positive negotiations continue with existing funding providers. Cash flows are being supported by the temporary cessation of home collected credit loans, significant tightening of online lending decisions, cutting discretionary expenditure and the increased focus on collections.

Performance



Market Cap Breakdown



Top 10 Holdings

	% of Fund
Diversified Gas & Oil Plc	4.81
Lok'nStore Group Plc	4.59
DiscoverIE Group Plc	4.13
Chesnara Plc	4.06
Real Good FoodPlc	3.37
Circle Property Plc	3.19
Watkin Jones Ltd	3.14
Caretech Holdings Plc	3.09
Urban Logistics REIT Plc	2.80
PPHE Hotel Group LtdPlc	2.73
Total	35.91

Source: Maitland Institutional Services Ltd

	Cumulative performance (%)			
	6m	1y	3y	5y
MI Downing Monthly Income Acc	-24.58	-22.57	-25.79	-21.46
IA UK Equity Income TR index	-22.97	-20.64	-17.56	-6.23
Quartile ranking	4th	4th	4th	4th

	Discrete performance (%)				
	31/03/2020	31/03/2019	31/03/2018	31/03/2017	31/03/2016
MI Downing Monthly Income Acc	-22.57	-8.36	4.58	13.80	-7.00
IA UK Equity Income TR index	-20.64	3.59	0.29	15.14	-1.21
Quartile ranking	4th	4th	1st	4th	4th

Past performance is not a reliable indicator of future results. Performance figures source: FE Analytics.

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)
£33.80m

Yield

6.3%²

Income paid

Monthly

Number of holdings

51

Prices as at 31 March 2020

Accumulation shares: 141.35p
Income shares: 88.00p

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

Contact details

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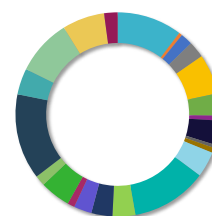
Investment Manager

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

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

Sector breakdown



10.31%	Cash
0.52%	Construction and building materials
1.91%	Diversified industrials
2.61%	Electricity
6.33%	Electronic and electrical equipment
3.52%	Financials
0.77%	Food producers and processors
3.85%	General retailers
0.51%	Health
0.80%	Housing goods and textiles
4.06%	Insurance
12.01%	Investment companies
3.61%	Leisure, entertainment and hotels
3.34%	Loans
2.83%	Media and photography
1.13%	Mining
4.81%	Oil and gas
1.66%	Pharmaceuticals
13.58%	Real estate
4.15%	Software and computer services
8.87%	Speciality and other finance
6.69%	Support services
2.13%	Telecommunications services

Source: Maitland Institutional Services Ltd

Income distribution

Period to	Income
30/04/2019	0.4500p
31/05/2019	0.4509p
28/06/2019	0.4907p
31/07/2019	0.4966p
30/08/2019	0.4969p
30/09/2019	0.5928p
31/10/2019	0.4985p
29/11/2019	0.4989p
31/12/2019	0.4992p
31/01/2020	0.4995p
29/02/2020	0.4999p
31/03/2020	0.0000p

Source: Maitland Institutional Services Ltd and Downing LLP

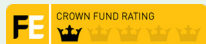
¹The conversion date refers to the date the investment objective and policy were changed.

²The historic yield reflects distributions declared over the previous 12 months net of tax as a percentage of the share price, as at the first business day of the current month. The yield will vary and investors may be subject to tax on their distributions. Fund charges and expenses are charged to capital, effectively increasing the distribution(s) for the year by the amount of the charges and constraining capital performance by the same amount.

³Ongoing charges are based on expenses, including annual management charge. This figure may vary. It excludes portfolio transaction costs. The ongoing charges figure as at 30 September 2019 is 1.00% and is currently capped at 1.00%.

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
Judith MacKenzie: Non-Independent Member
Donald Robertson: Independent Member
Darrell O'Dea: Independent Member

Statistics correct as at 31/03/2020. 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 31/07/19, 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. Tax treatment depends on the individual circumstances of each investor.

Important notice

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15 April 2020