



MI Downing Monthly Income Fund

November 2019

Portfolio commentary

In October, the Fund was up 1.70% while the IA UK Equity Income Total Return Index* was up 0.02%. Key contributors were discoverIE Group (up 23.56%) and ContourGlobal (up 26.47%). Key detractors included Duke Royalty (down 8.81%) and Urban Exposure (down 18.18%).

discoverIE is a leading international designer, manufacturer and supplier of customised electronics to industry. In October, the group announced the acquisition of Xi-Tech and its wholly-owned subsidiary Sens-Tech, together with a proposed placing to raise gross proceeds of approximately £33 million. Management believe that the acquisition continues the group's strategy of building a higher margin, international group that designs and manufactures customised electronics.

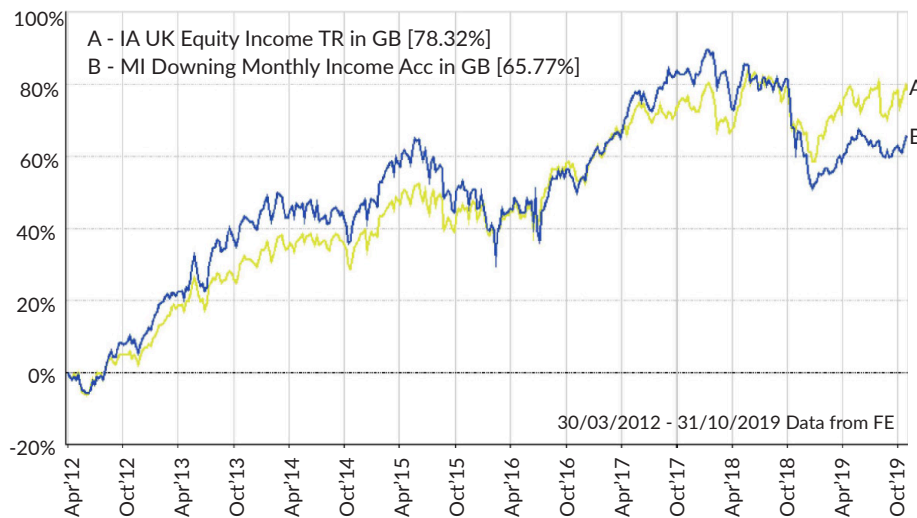
ContourGlobal is an international owner and operator of contracted wholesale power generation businesses. The group made no material news announcements in the month however we believe the share price appreciated due to the growing attractiveness of infrastructure assets and the associated security of their cashflows. We think that the group offers a highly attractive valuation for a company at the centre of the world's move to more sustainable fuel sources.

Duke Royalty, a provider of alternative capital solutions, announced that it raised a total of approximately £17.45 million (before expenses) via a fundraising from new and existing investors. Management's participation in the raise is a positive sign and gives us further confidence in the strategy. The board later stated that the group would deliver further portfolio diversification and income through the deployment of proceeds from the fundraise and post-period end announced a follow-on investment of £2 million into its existing royalty partner Lynx UK.

Urban Exposure, a residential development financier and asset manager, made no material news announcements during October. We believe the share price decline reflects the recent dividend payment. In our view the shares represent good value at this level.

*This fund is now compared against the IA UK Equity Income Total Return Index as noted in the Fund Prospectus.

Performance



Market Cap Breakdown



31.87%	< £150m
43.01%	£150m - £500m
12.40%	£500m - £1bn
2.01%	£1bn - £2bn
0.00%	£2bn - £4bn
0.00%	£4bn +
10.71%	Cash

Source: Factset

Top 10 Holdings

	% of Fund
Duke Royalty	6.89
Morses Club	5.59
Lok'nStore Group	4.80
Ramsdens Holdings	4.50
PPHE Hotel Group	4.42
Circle Property	4.41
Watkin Jones	4.16
discoverIE Group	4.04
Photo-Me International	3.99
Real Good Food*	3.65
Total	46.45

Source: Maitland Institutional Services Ltd
*Holding includes a 0.06% equity and 3.59% debt split

	Cumulative performance (%)			
	6m	1y	3y	5y
MI Downing Monthly Income Acc	0.45	0.93	9.34	14.94
IA UK Equity Income TR index	-0.21	5.55	14.35	32.11
Quartile ranking	1st	4th	4th	4th

	Discrete performance (%)				
	31/10/2018 31/10/2019	31/10/2017	31/10/2016	31/10/2015	31/10/2014 31/10/2015
MI Downing Monthly Income Acc	0.93	-10.36	20.84	0.31	4.81
IA UK Equity Income TR index	5.55	-3.64	12.42	7.00	7.98
Quartile ranking	4th	4th	1st	4th	4th

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)
£42.0m

Yield

4.9%²

Income paid

Monthly

Number of holdings

34

Prices as at 31 October 2019

Accumulation shares: 190.62p
Income shares: 121.10p

Charges

Initial charge 0%
Annual management charge 0.75%
Ongoing charges 1.04%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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Dealing: 034 5305 4215

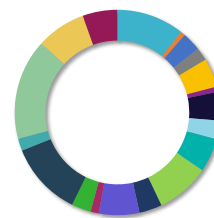
Investment Manager

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



10.68%	Cash
0.70%	Construction
2.99%	Diversified industrials
2.04%	Electricity
4.54%	Electronic and electrical equipment
0.81%	Food producers and processors
4.50%	General retailers
2.95%	Insurance
5.30%	Investment companies
8.44%	Leisure, entertainment and hotels
3.59%	Loans
6.39%	Media and photography
1.29%	Mining
3.05%	Oil & gas
11.70%	Real estate
1.92%	Software & computer services
15.85%	Speciality and other finance
7.79%	Support services
5.47%	Telecommunication services

Source: Maitland Institutional Services Ltd

Income distribution

Period to	Income
30/11/2018	0.6454p
31/12/2018	0.4498p
31/01/2019	0.2832p
28/02/2019	0.2383p
29/03/2019	0.7669p
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

Source: Maitland Institutional Services Ltd and Downing LLP

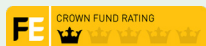
¹The conversion date refers to the date the investment objective and policy were changed.

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 31 March 2019 is 1.04% 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
John Bearman: Independent Chairman
Judith MacKenzie: Non-Independent Member
Donald Robertson: Independent Member
Darrell O'Dea: Independent Member

Statistics correct as at 31/10/2019. 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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