

MI Downing Monthly Income Fund



September 2020 Commentary

In September, the fund was down 3.61% while the IA UK Equity Income Total Return Index was down 2.30%. Key contributors were Anglo Pacific (up 16.4%) and Strix (up 9.44%). Key detractors included PayPoint (down 13.49%) and Morses Club (down 28.57%).

Anglo Pacific, a natural resources royalty and streaming company, announced a £5 million share buyback programme. The announcement reflects management's continued confidence in the underlying value and prospects of the company and adds to the significant share purchases made by directors over the past twelve months.

Strix, a designer, manufacturer and supplier of kettle safety controls, announced its results for the six months ended 30 June 2020. It was a solid performance with profitability remaining flat versus prior year. The group has managed its margins with continued focus on operational enhancements and cost improvements while remaining on track with key strategic projects.

PayPoint, an over-the-counter payment service provider, saw its share price fall following disclosure that Ofgem has issued a statement of objections alleging that the company had breached competition law. In response, PayPoint said it is "considering Ofgem's provisional views set out in the Statement of Objections and will exercise its right to respond to Ofgem and present its case".

Morses Club, a provider of non-standard financial services, reported that the group is making good progress in accelerating its strategy of serving its customers via remote methods of lending and collection. The company has continued to reduce its borrowings with the debt position £14 million*. The group had headroom of over £9 million* which is more than sufficient to meet the peak lending period in December.

*As at 31 August 2020

Opinions expressed represent the views of the Fund Manager at the time of publication, are subject to change, and should not be interpreted as investment advice.

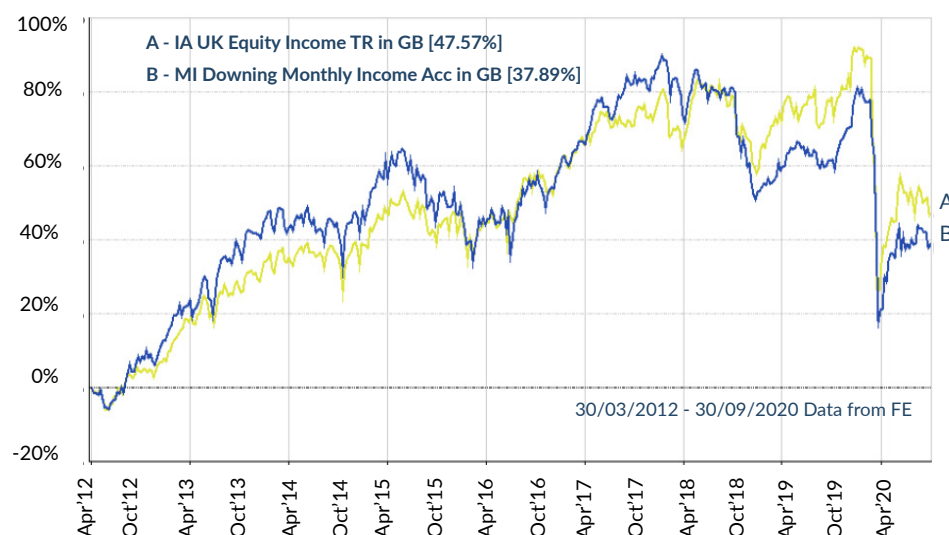


Fund Manager
James Lynch

James joined Downing in February 2012 as part of the private equity team, gaining transaction experience in the SME space across a range of industries before transferring to Downing Fund Managers in 2013.

Prior to Downing, James worked within the asset management division of Ernst & Young after specialising in smaller companies at HW Fisher & Company. James is a CFA Charterholder, Chartered Accountant (ACA) and holds the Investment Management Certificate. James manages the MI Downing Monthly Income Fund and co-manages the Downing Strategic Micro-Cap Investment Trust.

Performance

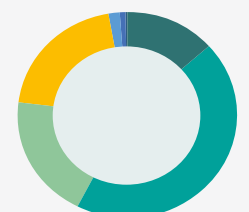


	Cumulative performance (%)			
	6m	1y	3y	5y
MI Downing Monthly Income Acc	12.17	-15.40	-24.50	-5.69
IA UK Equity Income TR index	7.46	-17.22	-14.53	5.29
Quartile ranking	1	2	4	4

	Discrete performance (%)				
	30/09/2019	30/09/2018	30/09/2017	30/09/2016	30/09/2015
	-30/09/2020	-30/09/2019	-30/09/2018	-30/09/2017	-30/09/2016
MI Downing Monthly Income Acc	-15.40	-9.97	-0.86	18.37	5.52
IA UK Equity Income TR index	-17.22	-0.17	3.43	10.59	11.39
Quartile ranking	2	4	4	1	4

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

Market Cap Breakdown



13.48%	<£150m
44.27%	£150m - £500m
19.45%	£500m - £1bn
20.12%	£1bn - £2bn
1.75%	£2bn - £4bn
0.79%	£4bn+
0.14%	Cash

Source: Factset

Top 10 Holdings

	% of Fund
Diversified Gas & Oil Plc	4.82
Strix Group Plc	3.92
Caretech Holdings Plc	3.82
Contourglobal Plc	3.72
Chesnara Plc	3.62
Lok'nStore Group Plc	3.42
Paypoint Plc	3.25
Smart Metering Systems Plc	3.11
Drax Group Plc	3.10
Telecom Plus Plc	3.04
Total	35.82

Source: Maitland Institutional Services Ltd

Portfolio summary

As at 30 September 2020

Sector breakdown



0.14% Cash	0.45% Health	7.93% Oil & gas
0.48% Construction & building materials	0.50% Housing goods & textiles	1.45% Pharmaceuticals
3.92% Diversified industrials	4.67% Insurance	10.34% Real estate
6.83% Electricity	14.01% Investment companies	5.91% Software & computer services
4.74% Electronic & electrical equipment	4.92% Leisure, entertainment & hotels	10.41% Speciality & other Finance
1.61% Financials	2.60% Loans	7.61% Support services
1.50% Food producers & processors	1.89% Media & photography	3.61% Telecommunication services
2.15% General retailers	2.33% Mining	

Source: Maitland Institutional Services Ltd

Key facts As at 30 September 2020

Fund Objective

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

Launch date

14 June 2010

Conversion date

1 April 2012*

IMA sector

UK Equity Income

Currency

UK Sterling

Types of shares

Income & Accumulation

Fund size

(Income & Accumulation shares combined)
£43.42m

Yield

4.9%**

Income paid

Monthly

Number of holdings

57

Prices as at 30 September 2020

Accumulation shares: 158.56p

Income shares: 96.78p

Charges

Initial charge: 0%

Annual Mgmt charge: 0.75%

Ongoing charges charged to capital***: 1.00%

Minimum Investment

Lump sum: £1,000

Subsequently: £500

Monthly savings: £100

SEDOL & ISIN numbers

Accumulation shares:

SEDOL B61JRG2

ISIN GB00B61JRG28

Income shares:

SEDOL B625QM8

ISIN GB00B625QM82

Authorised Corporate Director

Maitland act as ACD and manage the administration for the Fund.

Maitland Institutional Services Ltd

Hamilton Centre, Rodney Way,

Chelmsford, Essex, CM1 3BY

www.maitlandgroup.com

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.

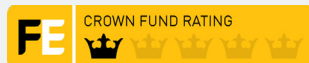
Investment Committee

Stephen Whittaker: Fund Founder & Consultant

Judith MacKenzie: Non-Independent Member

Donald Robertson: Independent Member

Darrell O'Dea: Independent Member



Income distribution

Period to	Income
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
30/04/2020	0.5000p
31/05/2020	0.3500p
30/06/2020	0.3500p
31/07/2020	0.3500p
31/08/2020	0.3500p
30/09/2020	0.3500p

Source: Maitland Institutional Services Ltd and Downing LLP

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	

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

** The 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.

*** Ongoing 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 2020 is 1.00% and is currently capped at 1.00%.

www.downingmonthly.co.uk

Statistics correct as at 30/09/2020. 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 31/07/2020, source Trustnet/FE. 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.

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