

MI Downing Monthly Income Fund



November 2020 Commentary

In November, the fund was up 9.94% while the IA UK Equity Income Total Return Index was up 15.71%. Key contributors were Duke Royalty (up 52.50%) and Watkins Jones (up 34.38%). Key detractors included BioPharma Credit (down 3.98%) and FRP Advisory (down 4.35%).

Duke Royalty, a provider of capital solutions to a diversified range of businesses, issued a trading update for its third financial quarter, and announced the reinstatement of the cash dividend. Management reported that this was due to the expected increases in the company's cash revenue and reflects the increased stability observed across the portfolio.

Watkin Jones, a developer and manager of residential for rent accommodation, provided a positive trading update. Management reported that it had successfully completed seven schemes and made excellent progress in growing its development pipeline, which will deliver returns in the future. The group also reported it had forward sold two purpose built student accommodation developments to Student Roost for £48.8 million.

BioPharma Credit, a specialist life sciences debt investor, announced it had entered into an amended and restated loan agreement with **Epizyme**, and will invest an additional US\$75 million in the loan. During the month, the group also declared an interim dividend and a small special dividend.

FRP Advisory Group, a professional services firm specialising in advisory services, issued a trading update for the half year ended 31 October 2020. Management reported a 'pleasing performance' and stated that the medium-term market outlook is positive, despite the substantial degree of uncertainty around the UK's economic recovery. The group has sufficient resource flexibility to service an increase in demand.

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.

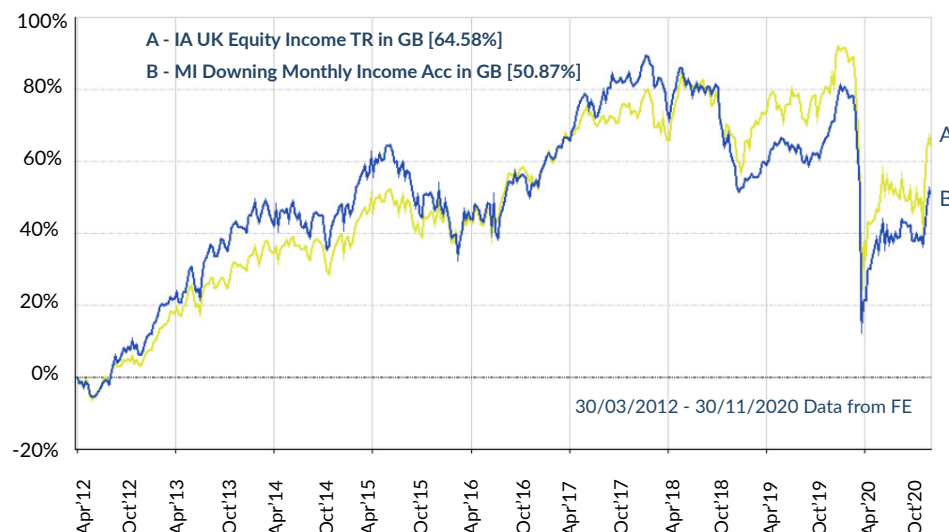


Fund Manager
James Lynch

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

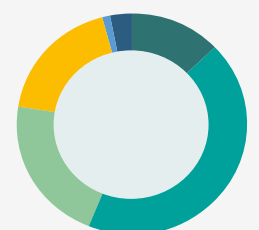


	Cumulative performance (%)			
	6m	1y	3y	5y
MI Downing Monthly Income Acc	7.60	-11.71	-17.41	0.04
IA UK Equity Income TR index	8.92	-10.49	-5.26	11.64
Quartile ranking	3	3	4	4

	Discrete performance (%)				
	30/11/2019-30/11/2020	30/11/2019-30/11/2019	30/11/2017-30/11/2018	30/11/2016-30/11/2017	30/11/2015-30/11/2016
MI Downing Monthly Income Acc	-11.71	6.63	-12.27	18.37	2.34
IA UK Equity Income TR index	-10.49	10.49	-4.20	12.58	4.67
Quartile ranking	3	4	4	1	3

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

Market Cap Breakdown



- 12.79% <£150m
- 43.46% £150m - £500m
- 21.46% £500m - £1bn
- 18.20% £1bn - £2bn
- 1.09% £2bn - £4bn
- 0.00% £4bn+
- 3.00% Cash

Source: Factset

Top 10 Holdings

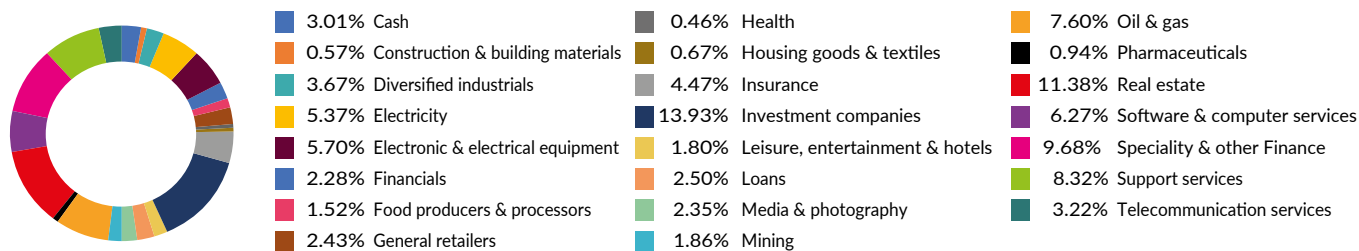
	% of fund
Diversified Gas & Oil Plc	4.62
Caretech Holdings Plc	4.03
Watkin Jones Limited	3.97
Contourglobal Plc	3.68
Paypoint Plc	3.67
Strix Group Plc	3.67
Lok'nStore Group Plc	3.57
Volex Plc	3.53
Chesnara Plc	3.46
Telecom Plus Plc	3.22
Total	37.42

Source: Maitland Institutional Services Ltd*

Portfolio summary

As at 30 November 2020

Sector breakdown



Source: Maitland Institutional Services Ltd*

Key facts As at 30 November 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)
£45.06m

Yield

4.2%***

Income paid

Monthly

Number of holdings

51

Prices as at 30 November 2020

Accumulation shares: 173.49p

Income shares: 105.13p

Charges

Initial charge: 0%

Annual Mgmt charge: 0.75%

Ongoing charges charged to capital****: 0.88%

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

Judith MacKenzie: Non-Independent Member

Donald Robertson: Independent Member

Darrell O'Dea: Independent Member



Income distribution

Period to	Income
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
31/10/2020	0.3500p
30/11/2020	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.

**** The ongoing charges figure is based on expenses and the net asset value as at 30 November 2020. This figure may vary from year to year. The funds annual report for each financial year will include detail on the exact charges made.

www.downingmonthly.co.uk

* Please note that the fund has since changed from Maitland Institutional Services Ltd to Valu-Trac Investment Management Ltd, effective from 30 November 2020.

Statistics correct as at 30/11/2020. Performance figures source: FE Analytics. Fund performance is based on accumulation shares, indices include net reinvested income. defaqto, 3 Diamond rated, 2020. Trustnet one-crown rating for the three year performance to 31/07/2020, 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.

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