



# MI Downing Monthly Income Fund

December 2019

## Portfolio commentary

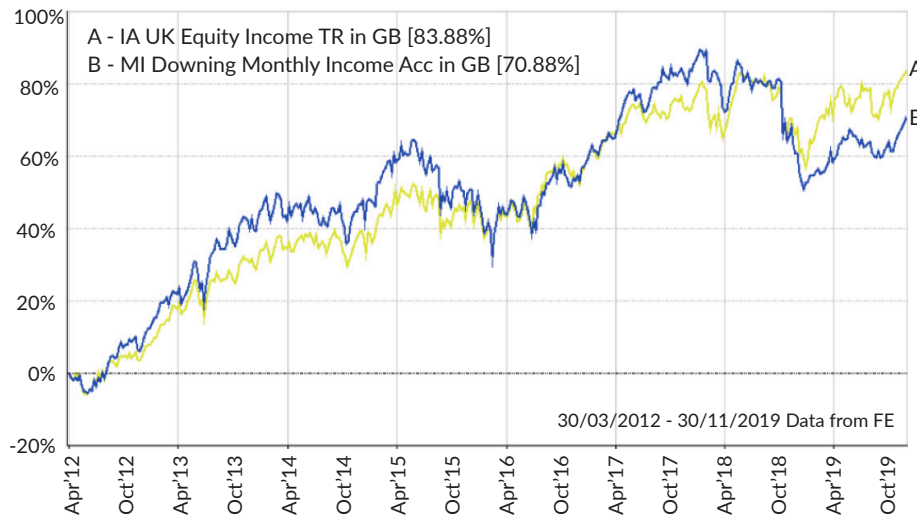
In November, the Fund was up 3.08% while the IA UK Equity Income Total Return Index\* was up 3.12%. Key contributors were Lok'n Store Group (up 19.67%) and discoverIE Group (up 21.15%). Key detractors included Ramsdens Holdings (down 5.60%) and AdEPT Technology Group (down 5.97%).

Lok'n Store, a leader in the UK self-storage market, announced results for the year ended 31 July 2019. The group has created a strong platform for a period of growth, with revenue, profits and asset values all moving ahead strongly. The adjusted net asset value per share increased by 11.1% to £5.33 and the board is raising the annual dividend by 9.1%. discoverIE is an international designer, manufacturer and supplier of customised electronics. The group announced its results for the six months to 30 September 2019 and reported that the focus on growth markets and higher margin acquisitions had delivered a 22% increase in operating profits, excellent operating cash conversion and 7% organic sales growth in the higher margin design and manufacturing division.

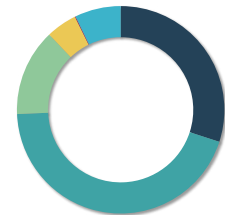
Ramsdens, the diversified financial services provider and jewellery retailer, issued a market update noting the group's negative share price movement as a competitor announced that it was working with the Financial Conduct Authority following a regulatory review of its high-cost, short-term credit unsecured loans business. Ramsdens confirmed that it did not offer unsecured personal loans nor high-cost, short-term credit loans as defined by the FCA. Ramsdens continues to trade in line with management's expectations, reporting strong results for the six months to 30 September 2019 post period end. AdEPT, a leading independent provider of managed services, announced its results for the six months ended 30 September 2019. Despite positive results, the share price declined. The board believes that organic revenue growth has been achieved and its acquisitive growth strategy continues. The results demonstrate AdEPT's capex-light highly cash generative business model, which is focused on high levels of recurring revenue. Trading continues to be in line with management's expectations.

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

## Performance



## Market Cap Breakdown



30.00%	< £150m
44.35%	£150m - £500m
13.57%	£500m - £1bn
4.81%	£1bn - £2bn
0.11%	£2bn - £4bn
0.00%	£4bn +
7.16%	Cash

Source: Factset

## Top 10 Holdings

	% of Fund
Duke Royalty	7.05
Morses Club	5.25
Lok'nStore Group	5.18
discoverIE Group	4.57
Watkin Jones	4.56
PPHE Hotel Group	4.30
Circle Property	4.25
Ramsdens Holdings	4.07
Diversified Gas & Oil	3.88
Photo-Me International	3.75
Total	46.86

Source: Maitland Institutional Services Ltd

	Cumulative performance (%)			
	6m	1y	3y	5y
MI Downing Monthly Income Acc	2.78	6.63	10.73	16.10
IA UK Equity Income TR index	6.84	10.49	19.16	32.44
Quartile ranking	4th	4th	4th	4th

	Discrete performance (%)				
	30/11/2018 30/11/2019	30/11/2017	30/11/2016	30/11/2015	30/11/2014 30/11/2015
MI Downing Monthly Income Acc	6.63	-12.27	18.37	2.34	2.46
IA UK Equity Income TR index	10.49	-4.20	12.58	4.67	6.18
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 2012<sup>1</sup>

### IMA sector

UK Equity Income

### Currency

UK Sterling

### Types of shares

Income & Accumulation

### Fund size

(Income & Accumulation shares combined)  
£43.8m

### Yield

4.6%<sup>2</sup>

### Income paid

Monthly

### Number of holdings

38

### Prices as at 30 November 2019

Accumulation shares: 196.50p  
Income shares: 124.32p

### Charges

Initial charge 0%  
Annual management charge 0.75%  
Ongoing charges 1.00%<sup>3</sup>  
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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Hamilton Centre, Rodney Way,  
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www.maitlandgroup.com  
Dealing: 034 5305 4215

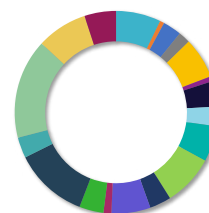
### Investment Manager

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.

### Platforms and wraps

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

## Sector breakdown



7.17%	Cash
0.69%	Construction
2.96%	Diversified industrials
1.89%	Electricity
6.52%	Electronic and electrical equipment
0.80%	Food producers and processors
4.07%	General retailers
3.11%	Insurance
5.71%	Investment companies
8.15%	Leisure, entertainment and hotels
3.43%	Loans
6.24%	Media and photography
1.25%	Mining
3.88%	Oil & gas
11.79%	Real estate
3.31%	Software & computer services
15.90%	Speciality and other finance
8.09%	Support services
5.04%	Telecommunication services

Source: Maitland Institutional Services Ltd

## Income distribution

Period to	Income
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
29/11/2019	0.4989p

Source: Maitland Institutional Services Ltd and Downing LLP

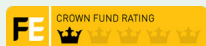
<sup>1</sup>The conversion date refers to the date the investment objective and policy were changed.

<sup>2</sup>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.

<sup>3</sup>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 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 30/11/2019.** 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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10 December 2019