

# MI Downing Monthly Income Fund

December  
2018



## Market commentary

In November 2018, the Fund was down 2.42% while the MSCI UK All Cap Total Return Index was down 1.85%. Key contributors were Sabre Insurance Group (up 7.95%) and Plus500 Ltd (up 11.82%). Key detractors included Maintel Holdings (down 19.05%) and Kier Group (down 49.12%).

Sabre, a private motor insurance underwriter, made no material announcements during the month. However, October's trading update highlighted its strategy of focusing on underwriting profitability over growth. The company generated significant excess capital, allowing the board the option to return surplus capital to shareholders should the capital position improve throughout the remainder of 2018.

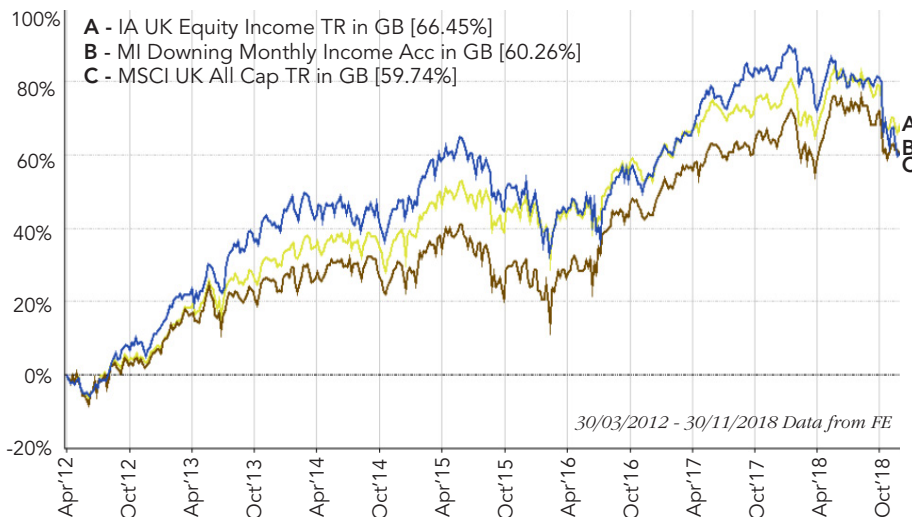
Plus500, an online service provider for trading Contracts for Differences ("CFDs") internationally, announced the strong momentum reported in its Q3 trading update had continued into November. The board believes that the group's results for the full financial year will be ahead of previous market expectations.

Maintel, a provider of managed communications services, issued a trading update which advised that it anticipates a lower level of revenue and EBITDA in the second half than previously expected. However, the board's intention is for the full year 2018 dividend to grow in line with existing guidance. It is expected that net debt will end the year at a lower level than the close of the prior financial year.

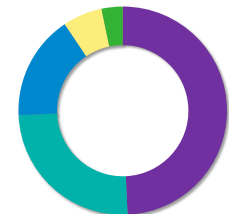
Kier, an infrastructure services, buildings and developments & housing group, announced that it proposes to raise gross proceeds of approximately £264 million by rights issue to accelerate its debt reduction programme. While current trading and outlook for FY19 remain in-line with expectations, management stated that it will reinforce the group's long-term position and better place it given tighter credit markets and more stringent tender pre-qualification requirements.

All performance figures for securities include net reinvested income where applicable. Source: Factset and FE Analytics.

## Performance



## Market Cap Breakdown



49.26%	< £150m
25.04%	£150m - £500m
16.31%	£500m - £1bn
6.12%	£1bn - £2bn
0.00%	£2bn - £4bn
0.00%	£4bn +
3.27%	Cash

Source: Factset

## Top 10 Holdings

	% of Fund
Duke Royalty	7.02
Lok'nStore Group	5.60
Ramsdens Holdings	5.32
Photo-Me International	4.77
Circle Property	4.38
Chesnara	3.97
Sabre Insurance Group	3.88
Morses Club	3.82
Drax Group	3.69
AdEPT Technology Group	3.54
<b>Total</b>	<b>45.99</b>

Source: Maitland Institutional Services

	Cumulative performance			
	6m	1y	3y	5y
MI Downing Monthly Income Acc	-11.26%	-12.27%	6.27%	12.46%
IA UK Equity Income TR index	-8.23%	-4.19%	12.91%	26.54%
MSCI UK All Cap TR index	-7.90%	-1.60%	22.64%	27.49%
Quartile ranking	4th	4th	4th	4th

	Discrete performance				
	2017	2016	2015	2014	2013
MI Downing Monthly Income Acc	16.98%	7.65%	0.84%	1.74%	30.26%
IA UK Equity Income TR index	11.32%	8.84%	6.20%	3.16%	25.20%
MSCI UK All Cap TR index	13.09%	17.29%	0.13%	0.44%	20.62%
Quartile ranking	1st	3rd	4th	3rd	1st

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 2012<sup>1</sup>

### IMA sector

UK Equity Income

### Currency

UK Sterling

### Types of shares

Income & Accumulation

### Fund size

(Income & Accumulation shares combined)  
£42.0m

### Yield

5.8%

### Income paid

Monthly

### Number of holdings

37

### Prices as at 30 November 2018

Accumulation shares: 184.29p

Income shares: 122.27p

### Charges

Initial charge 0%

Annual management charge 0.75%

Ongoing charges 0.97%<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:

Maitland Institutional Services Ltd  
Springfield Lodge, Colchester Road  
Chelmsford, Essex CM2 5PW

www.maitlandgroup.com

Dealing: 034 5305 4215

### Investment Manager

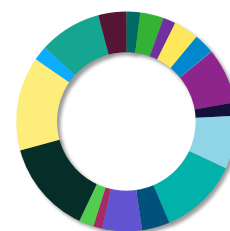
Downing LLP was appointed Investment Manager to the Fund on 1 June 2015.

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	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



2.03%	Banks
3.46%	Cash
1.83%	Construction and building materials
3.69%	Electricity
3.01%	Electronic and electrical equipment
0.05%	Food producers and processors
8.15%	General retailers
1.95%	Information technology hardware
7.85%	Insurance
11.60%	Investment companies
4.09%	Loans
5.83%	Media and photography
1.30%	Mining
2.18%	Personal care and other household products
13.74%	Real estate
13.84%	Speciality and other finance
2.16%	Support services
9.14%	Telecommunication services
4.10%	Transport

Source: Maitland Institutional Services

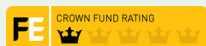
## Income Distribution

Period to	Income
29/12/2017	0.7413p
31/01/2018	0.4053p
28/02/2018	0.7383p
29/03/2018	0.8777p
30/04/2018	0.4577p
31/05/2018	0.4513p
29/06/2018	0.6253p
31/07/2018	0.3228p
31/08/2018	0.6311p
28/09/2018	0.5787p
31/10/2018	0.6021p
30/11/2018	0.6454p

Source: Maitland Institutional Services and Downing LLP

## 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 30/11/2018.** 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 31/07/18, 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.

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