

# MI Downing Monthly Income Fund

May  
2019



## Portfolio commentary

In April, the Fund was up 3.95% while the MSCI UK All Cap Total Return Index was up 2.65%. Key contributors were Photo-Me International (up 20.50%) and FireAngel Safety Technology (up 73.81%). Key detractors included Maintel Holdings (down 9.42%) and Ramsdens Holdings (down 6.30%).

Photo-Me, the instant-service equipment group, issued a trading update for the year ending 30 April 2019. Management reported that the group has continued to expand its high margin self-service laundry operations which will make up an increasing proportion of the group's total revenue in the medium term. Operations in Continental Europe and Asia are growing in line with management's expectations and strong performance in Japan has continued in the second half of the financial year. Separately, the group announced the acquisition of Sempa, a specialist in commercialised self-service fresh fruit juice equipment.

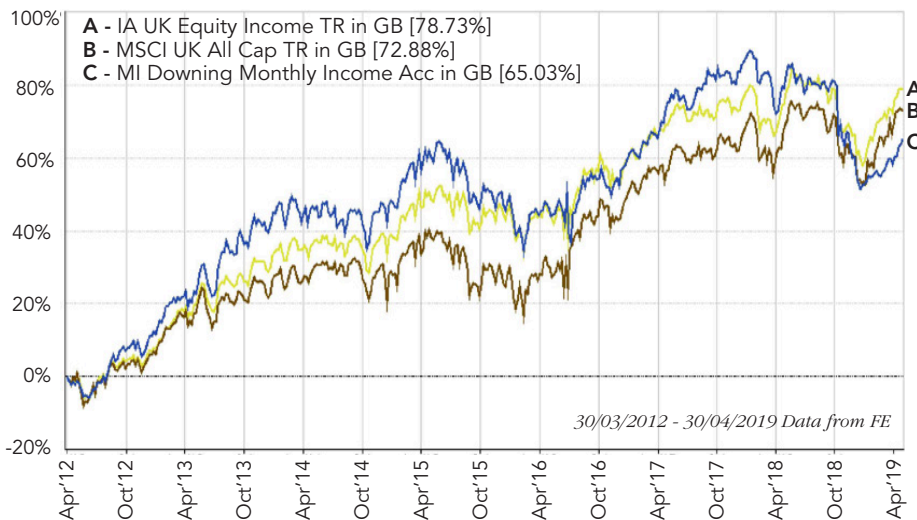
FireAngel, one of Europe's leading developers and suppliers of home safety products, has restructured its banking facilities alongside a placing and open offer which raised £6.0 million. This will provide working capital, improve the balance sheet, and create stability for the business. We believe that the market responded positively to the raise and took comfort in the level of the company directors' participation.

Maintel, a provider of managed communications services for the private and public sectors, made no material announcements during the month. We believe the share price was impacted by the company's share incentive plan acquiring 1,139 ordinary shares of 1p each in the capital of the company at a price of 585p per share with certain options being granted under the company share option plan.

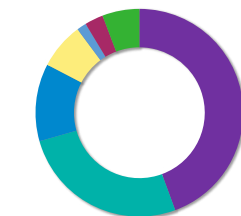
Ramsdens, the diversified financial services provider and retailer, issued a pre-close trading update reporting that the group has continued to trade in line with the board's initial expectations for the year. However, the business has been tested by the negative sentiment surrounding the UK retail market and continued uncertainty surrounding Brexit. That said, the board has confidence in the group making further progress on its strategic objectives in the year ahead.

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

## Performance



## Market Cap Breakdown



- 44.39% < £150m
- 26.19% £150m - £500m
- 12.07% £500m - £1bn
- 7.21% £1bn - £2bn
- 1.49% £2bn - £4bn
- 2.89% £4bn +
- 5.77% Cash

Source: Factset

## Top 10 Holdings

	% of Fund
Duke Royalty	7.29
Lok'nStore Group	5.80
Ramsdens Holdings	5.56
Circle Property	4.33
Real Good Food*	4.13
Morses Club	4.06
Chesnara	4.06
PPHE Hotel Group	4.00
Photo-Me International	3.93
Urban Logistics	3.52
<b>Total</b>	<b>46.68</b>

Source: Maitland Institutional Services  
\*Holding includes a 0.05% equity and 4.08% debt split

	Cumulative performance			
	6m	1y	3y	5y
MI Downing Monthly Income Acc	0.48%	-8.98%	13.00%	12.79%
IA UK Equity Income TR index	5.80%	0.70%	23.38%	30.97%
MSCI UK All Cap TR index	6.22%	2.38%	33.29%	33.60%
Quartile ranking	4th	4th	4th	4th

	Discrete performance				
	30/04/2018 30/04/2019	30/04/2017 30/04/2018	30/04/2016 30/04/2017	30/04/2015 30/04/2016	30/04/2014 30/04/2015
MI Downing Monthly Income Acc	-8.98%	3.85%	19.55%	-8.79%	9.43%
IA UK Equity Income TR index	0.70%	5.18%	16.49%	-2.42%	8.79%
MSCI UK All Cap TR index	2.38%	8.32%	20.19%	-6.12%	6.76%
Quartile ranking	4th	4th	2nd	4th	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)  
£42.1m

### Yield

4.9%

### Income paid

Monthly

### Number of holdings

37

### Prices as at 30 April 2019

Accumulation shares: 189.77p  
Income shares: 123.56p

### 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  
Hamilton Centre, Rodney Way,  
Chelmsford, Essex, CM1 3BY

www.maitlandgroup.com

Dealing: 034 5305 4215

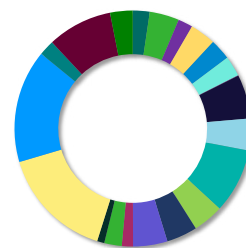
### Investment Manager

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.

### 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



1.49%	Water
5.82%	Cash
2.13%	Diversified industrials
4.32%	Electronic and electrical equipment
2.73%	Engineering and machinery
2.91%	Financials
0.05%	Food producers and processors
5.56%	General retailers
5.05%	Insurance
7.39%	Investment companies
4.00%	Leisure, entertainment and hotels
4.08%	Loans
5.42%	Media and photography
1.42%	Mining
2.23%	Oil & gas
1.05%	Personal care and other household products
15.48%	Real estate
15.12%	Speciality and other finance
2.13%	Support services
8.54%	Telecommunication services
3.08%	Transport

Source: Maitland Institutional Services

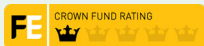
## Income Distribution

Period to	Income
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
31/12/2018	0.4498p
31/01/2019	0.2832p
28/02/2019	0.2383p
31/03/2019	0.7669p
30/04/2019	0.4500p

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 30/04/2019.** 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 31/01/19, 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

This document is intended for retail investors and their advisers and has been approved and issued as a financial promotion under the Financial Services and Markets Act 2000 by Downing LLP ("Downing"), St Magnus House, 3 Lower Thames Street, London EC3R 6HD. This document is issued by Downing LLP ("Downing") authorised and regulated by the Financial Conduct Authority (Firm Reference No. 545025). Registered in England No. OC341575. The value of your investment, and any income from it, could fall or rise. You may not get back the full amount you invest. Opinions expressed in this document represent the views of the Fund Managers at the time of publication, are subject to change, and should not be interpreted as investment advice. Please refer to the latest Full Prospectus, Key Investor Information Document and Supplementary Information Document before investing; your attention is drawn to the risk factors contained therein. Downing does not offer investment or tax advice.

14 May 2019