

MI Downing Monthly Income Fund



May 2020 Commentary

In May, the fund was up 2.19% while the IA UK Equity Income Total Return Index* was up 1.28%. Key contributors were Duke Royalty (up 43.54%) and Diversified Oil & Gas (up 12.47%). Key detractors included Morses Club (down 23.89%) and Lok'nStore (down 11.86%).

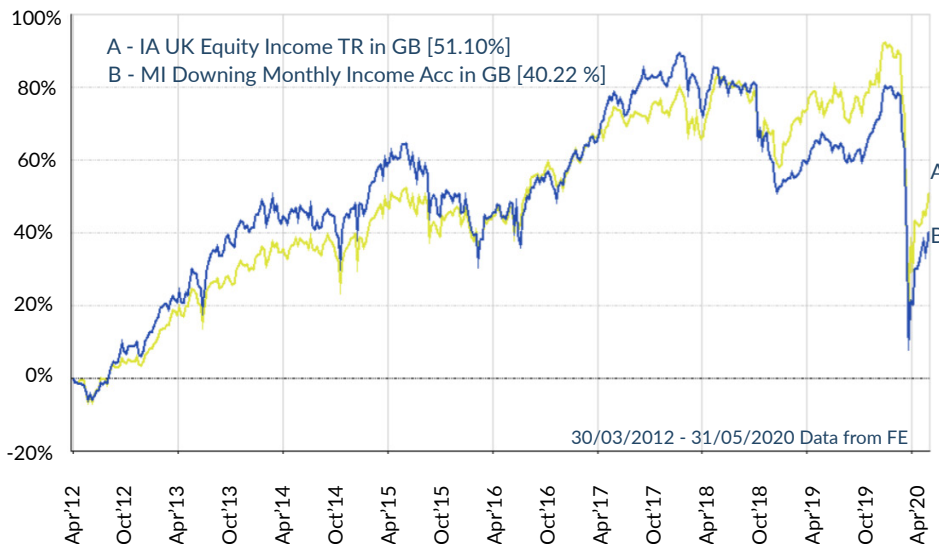
Duke Royalty, a provider of alternative capital solutions, provided a trading update. While Covid-19 impacts to Duke's portfolio are inevitable, management is pleased with the resilience demonstrated by the portfolio as a whole. Its liquidity position remains strong, with over £3 million of cash and additional liquidity of approximately £18 million via its revolving line of credit. Given the group's strong financial performance ahead of the outbreak, management believes that Duke will demonstrate the resilience of its model, the benefits of its capital over short dated bank debt, and the strength of its support for its partners in overcoming this unique trading period.

Diversified Gas & Oil, an owner and operator of natural gas and oil wells, announced on 18 May 2020 that the company's ordinary shares had been admitted to trade on the London Stock Exchange's Main Market. Management stated that the transition represents a significant milestone and it looks forward to building upon its strong track record of value creation and shareholder returns. In May, the group also announced that it had completed the purchase of certain upstream and related infrastructure assets from EQT Corporation, and also certain upstream and midstream assets from Carbon Energy Corporation.

Morses Club, a provider of non-standard financial services, and Lok'nStore, a self-storage company, made no news announcements in the month and we believe that the shares in both companies represent good value at current levels.

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.

Performance



	Cumulative performance (%)			
	6m	1y	3y	5y
MI Downing Monthly Income Acc	-17.94	-15.66	-21.28	-14.95
IA UK Equity Income TR index	-17.82	-12.21	-13.53	-1.34
Quartile ranking	4th	4th	4th	4th

	Discrete performance (%)				
	31/05/2020	31/05/2019	31/05/2018	31/05/2017	31/05/2016
MI Downing Monthly Income Acc	-15.66	-7.94	1.39	20.13	-10.06
IA UK Equity Income TR index	-12.21	-5.11	3.79	19.06	-4.17
Quartile ranking	4th	4th	4th	1st	4th

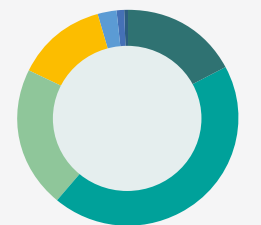


Fund Manager
James Lynch

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.

Market Cap Breakdown



- 17.57% <£150m
- 43.96% £150m - £500m
- 21.41% £500m - £1bn
- 13.44% £1bn - £2bn
- 2.57% £2bn - £4bn
- 1.34% £4bn+
- 0.29% Cash

Source: Factset

Top 10 Holdings

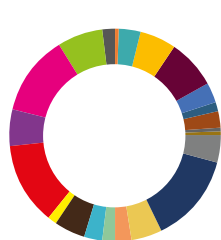
	% of Fund
Diversified Gas & Oil Plc	4.63
Chesnara Plc	4.10
Brewin Dolphin Holdings Plc	3.93
DiscoverIE Group Plc	3.58
Lok'nStore Group Plc	3.53
Caretech Holdings Plc	3.48
Strix Group Plc	3.35
Volex Plc	3.20
Contourglobal Plc	3.09
Anglo Pacific Group Plc	2.87
Total	35.76

Source: Maitland Institutional Services Ltd

Portfolio summary

As at 31 May 2020

Sector breakdown



■ -0.29% Cash	■ 0.47% Health	■ 4.63% Oil & Gas
■ 0.53% Construction & building materials	■ 0.63% Housing Goods & Textiles	■ 1.46% Pharmaceuticals
■ 3.35% Diversified Industrials	■ 4.10% Insurance	■ 12.69% Real Estate
■ 5.68% Electricity	■ 13.62% Investment Companies	■ 5.39% Software & computer services
■ 7.29% Electronic & Electrical equipment	■ 4.64% Leisure, Entertainment & Hotels	■ 12.44% Speciality & other Finance
■ 3.31% Financials	■ 2.52% Loans	■ 6.85% Support services
■ 1.36% Food Producers & Processors	■ 1.99% Media & Photography	■ 1.91% Telecom services
■ 2.56% General Retailers	■ 2.87% Mining	

Source: Maitland Institutional Services Ltd

Key facts As at 31 May 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)
£44.76m

Yield

5.4%**

Income paid

Monthly

Number of holdings

53

Prices as at 31 May 2020

Accumulation shares: 161.23p

Income shares: 99.81p

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.

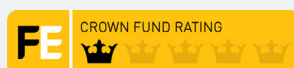
Investment Committee

Stephen Whittaker: Fund Founder & Consultant

Judith MacKenzie: Non-Independent Member

Donald Robertson: Independent Member

Darrell O'Dea: Independent Member



Income distribution

Period to	Income
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
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

Source: Maitland Institutional Services Ltd and Downing LLP

Platforms and wraps

Aegon	James Hay
AJ Bell	Novia
All Funds	Nucleus
Ascencric	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 30 September 2019 is 1.00% and is currently capped at 1.00%.

Statistics correct as at 31/05/2020. 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 31/07/19, 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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