

# MI Downing Monthly Income Fund

June  
2019



## Portfolio commentary

In May, the Fund was up 0.74% while the MSCI UK All Cap Total Return Index was down 2.88%. Key contributors were FireAngel Safety Technology (up 36.51%) and Urban Logistics (up 9.36%). Key detractors included Maintel Holdings (down 10.88%) and Morses Club (down 12.42%).

FireAngel, one of Europe's leading developers and suppliers of home safety products, issued no material news in the month. However, we believe the share price was supported by Mike Stilwell, Financial Director, and John Shepherd, non-executive director, purchasing shares in the company.

Urban Logistics, the specialist UK industrial and logistics REIT, announced that it has sold a site for £9.2 million, realising a Total Property Return\* of 74%. Management stated that this disposal has realised a very strong return for shareholders three years on from purchase. The group also announced results for the year ended 31 March 2019, reporting that asset management has driven strong performance across the portfolio. EPRA\*\* NAV per share has increased by 13% and EPRA earnings per share has increased by 43%, enabling an increase in the dividend of 11%.

Maintel, a provider of managed communications services for the private and public sectors, reported that Mark Townsend, a director at the company, had exercised options over 409 ordinary shares of 1p each in the capital of the company at an exercise price of 1p per share. An application was made for the 409 new ordinary shares to be admitted to trading on AIM and dealings were expected to commence on 22 May 2019. The new ordinary shares will rank pari passu with the company's existing ordinary shares.

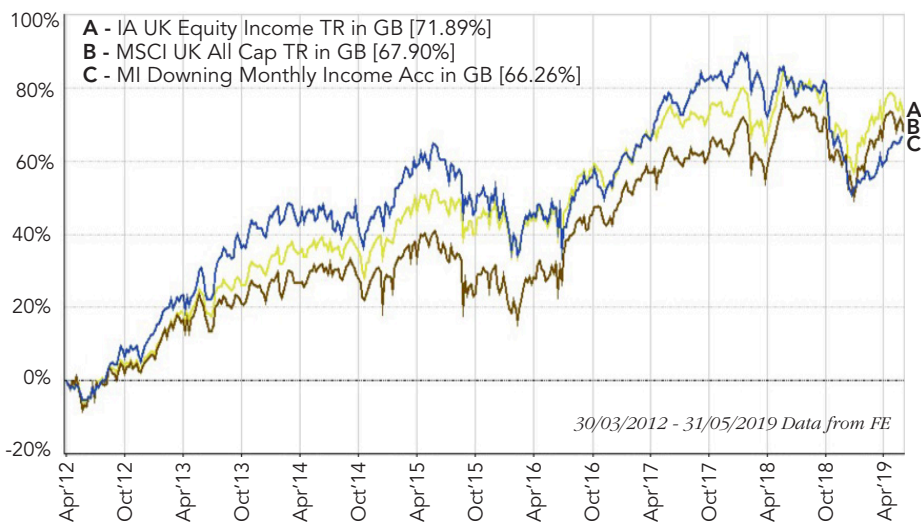
Morses Club announced its preliminary results for the 52 weeks ended 23 February 2019. Financial highlights included revenue up by 6% on a like-for-like, pro forma basis, and total credit issued up by 2.4% to £178.5 million. Management stated that it has continued to develop its core offering, which is increasingly enabled through its complementary technology platform, grown cashless lending through the Morses Club Card, and completed a number of acquisitions.

\*Total Property Return (TPR) is capital growth plus net rental income plus sale profit expressed as a percentage of the purchase price.

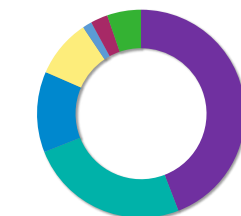
\*\* European Public Real Estate Association.

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

## Performance



## Market Cap Breakdown



44.14%	< £150m
24.87%	£150m - £500m
12.54%	£500m - £1bn
9.06%	£1bn - £2bn
1.45%	£2bn - £4bn
2.67%	£4bn +
5.27%	Cash

Source: Factset

## Top 10 Holdings

	Cumulative performance			
	6m	1y	3y	5y
MI Downing Monthly Income Acc	3.74%	-7.94%	12.12%	12.74%
IA UK Equity Income TR index	3.26%	-5.25%	17.09%	24.21%
MSCI UK All Cap TR index	5.11%	-3.19%	28.68%	28.00%
Quartile ranking	2nd	4th	4th	4th

	Discrete performance				
	31/05/2018 31/05/2019	31/05/2017 31/05/2018	31/05/2016 31/05/2017	31/05/2015 31/05/2016	31/05/2014 31/05/2015
MI Downing Monthly Income Acc	-7.94%	1.39%	20.13%	-10.06%	11.81%
IA UK Equity Income TR index	-5.25%	3.79%	19.06%	-4.17%	10.69%
MSCI UK All Cap TR index	-3.19%	6.54%	24.76%	-6.76%	6.68%
Quartile ranking	4th	4th	2nd	4th	1st

	% of Fund
Duke Royalty	7.14
Ramsdens Holdings	5.41
Lok'nStore Group	5.27
Circle Property	4.46
PPHE Hotel Group	4.43
Chesnara	4.16
Real Good Food*	4.11
Photo-Me International	3.96
Urban Logistics	3.83
Morses Club	3.51
<b>Total</b>	<b>46.28</b>

Source: Maitland Institutional Services Ltd

\*Holding includes a 0.05% equity and 4.06% debt split

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)  
£42.3m

### Yield

4.9%

### Income paid

Monthly

### Number of holdings

37

### Prices as at 31 May 2019

Accumulation shares: 191.18p  
Income shares: 124.03p

### 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

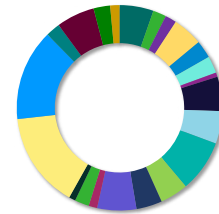
### Investment Manager

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



5.36%	Cash
2.09%	Diversified industrials
1.78%	Electricity
4.75%	Electronic and electrical equipment
2.78%	Engineering and machinery
2.68%	Financials
0.67%	Food producers and processors
5.41%	General retailers
5.13%	Insurance
8.20%	Investment companies
4.43%	Leisure, entertainment and hotels
4.06%	Loans
6.17%	Media and photography
1.34%	Mining
2.26%	Oil & gas
1.02%	Personal care and other household products
15.11%	Real estate
14.39%	Speciality and other finance
2.27%	Support services
6.02%	Telecommunication services
2.61%	Transport
1.46%	Water

Source: Maitland Institutional Services Ltd

## Income Distribution

Period to	Income
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
31/05/2019	0.4509p

Source: Maitland Institutional Services Ltd 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 31/05/2019.** 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.

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13 June 2019