

# MI Downing Monthly Income Fund

November  
2018



## Market commentary

In October 2018, the Fund was down 9.29% while the MSCI UK All Cap Total Return Index was down 5.27%. Key contributors were CareTech Holdings (up 5.80%) and Drax Group (up 2.27%). Key detractors included Warpaint London (down 53.08%) and Amino Technologies (down 39.76%).

CareTech, a pioneering provider of specialist social care services in the UK, confirmed that trading in the year to 30 September 2018 was in line with market expectations. The group completed the acquisition of Cambian Group and the directors believe this enlarged group will provide a strong platform on which to deliver anticipated shifts toward more sophisticated supported living packages linked to new personalised payment methodologies.

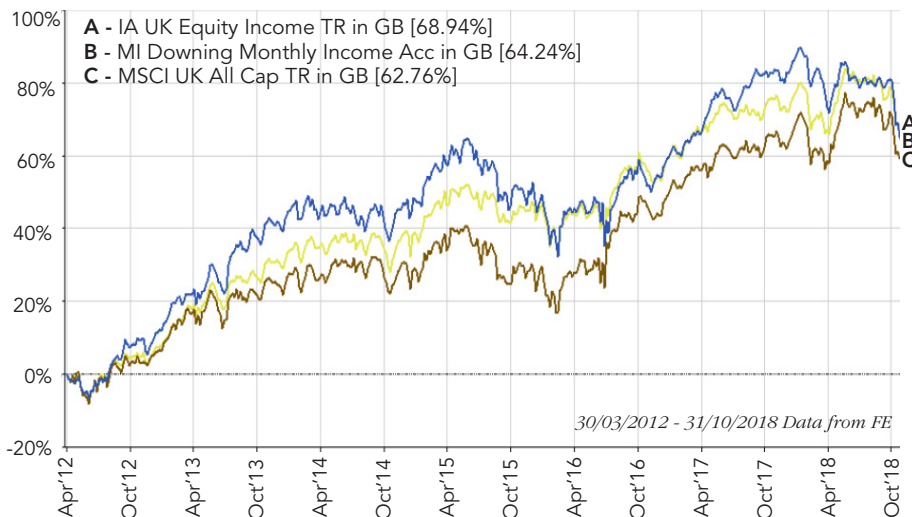
Drax, a large biomass and power station operator, announced that it had agreed to acquire Scottish Power's portfolio of pumped storage, hydro and gas-fired generation facilities, subject to Drax shareholder approval. Management stated that the acquisition makes great financial and strategic sense, delivering material value to shareholders through long-term earnings and attractive returns.

Warpaint London, a specialist supplier of colour cosmetics, issued a trading update stating that while international sales have been strong, the UK market remains challenging, with retailers reducing stock levels and Christmas orders. However, management stated that the company remains well positioned to take advantage of any improvement in UK market conditions and will continue its strategy of growing and diversifying international sales.

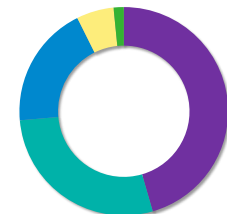
Amino Technologies, a global provider of media and entertainment technology solutions, saw its share price decline as it reported lower anticipated orders and higher than expected component price increases in the second half of the year. The board acknowledged difficult trading conditions in the short term, however it believes the company remains profitable and cash generative.

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

## Performance



## Market Cap Breakdown



- 45.52% < £150m
- 28.09% £150m - £500m
- 19.04% £500m - £1bn
- 5.78% £1bn - £2bn
- 0.00% £2bn - £4bn
- 0.00% £4bn +
- 1.57% Cash

Source: Factset

## Top 10 Holdings

	% of Fund
Duke Royalty	6.81
Lok'nStore Group	5.17
Ramsdens Holdings	4.98
Photo-Me International	4.65
Circle Property	4.25
Morses Club	3.83
Chesnara	3.77
Maintel Holdings	3.72
Drax Group	3.68
Urban Logistics	3.47
<b>Total</b>	<b>44.60</b>

Source: Maitland Institutional Services

	Cumulative performance			
	6m	1y	3y	5y
MI Downing Monthly Income Acc	-9.42%	-10.36%	8.66%	15.13%
IA UK Equity Income TR index	-4.82%	-3.64%	15.91%	28.20%
MSCI UK All Cap TR index	-3.61%	-1.48%	25.52%	28.95%
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)  
£43.3m

### Yield

5.0%

### Income paid

Monthly

### Number of holdings

37

### Prices as at 31 October 2018

Accumulation shares: 188.86p

Income shares: 125.91p

### 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:

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

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Dealing: 034 5305 4215

### Investment Manager

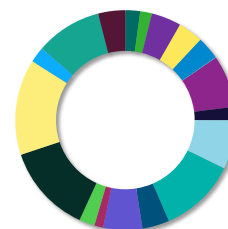
Downing LLP was appointed Investment Manager to the Fund on 1 June 2015.

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



2.17%	Banks
1.73%	Cash
4.38%	Construction and building materials
3.68%	Electricity
3.37%	Electronic and electrical equipment
0.06%	Food producers and processors
7.68%	General retailers
1.96%	Information technology hardware
7.23%	Insurance
11.28%	Investment companies
3.96%	Loans
5.75%	Media and photography
1.29%	Mining
2.29%	Personal care and other household products
13.06%	Real estate
14.10%	Speciality and other finance
2.32%	Support services
9.71%	Telecommunication services
3.98%	Transport

Source: Maitland Institutional Services

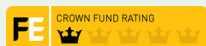
## Income Distribution

Period to	Income
30/11/2017	0.4701p
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

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

**Statistics correct as at 31/10/2018.** 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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