

# MI Downing Monthly Income Fund

April  
2019



## Portfolio commentary

In March, the Fund was up 1.90% while the MSCI UK All Cap Total Return Index was up 2.81%. Key contributors were Manx Telecom (up 18.13%) and Somero Enterprise Inc (up 17.97%). Key detractors included Photo-Me International (down 12.07%) and Braemar Shipping Services (down 7.04%).

Manx Telecom, the leading Isle of Man-based communications solutions provider, announced its results for the year ended 31 December 2018. These demonstrated good progress in strengthening the on-island telecoms business, while investing in its international business. In the period Manx was subject to a takeover bid and accepted a cash offer from Basalt Infrastructure Partners of almost £256 million.

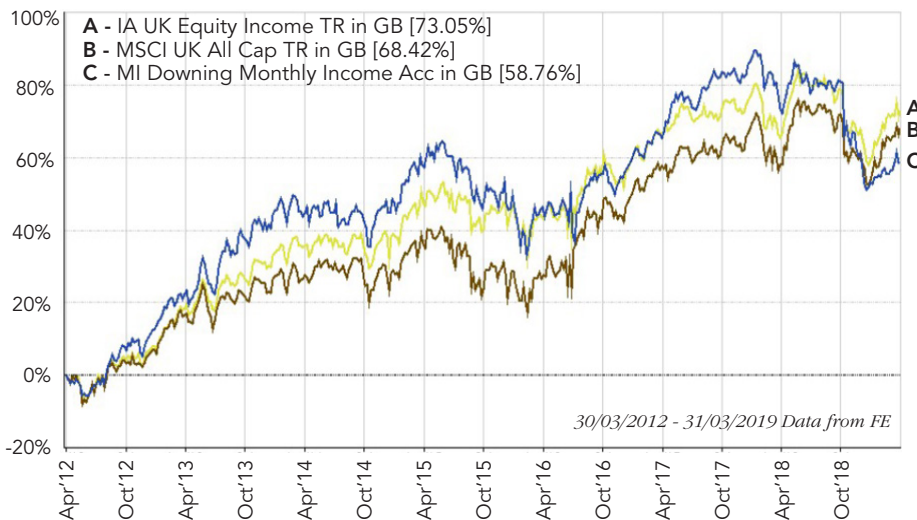
Somero, a manufacturer of laser-guided and technologically innovative machinery, reported its annual results for the 12 months ended 31 December 2018. The group delivered a year of record annual revenue and profit. Somero is in a strong financial position, with a record level of cash flow generation and US\$ 28.2 million net cash on the balance sheet.

Photo-Me, the instant-service equipment group, made no announcements over the month. However, the share price has come under pressure as trading has become more challenging given slowing consumer activity and Brexit uncertainty. The group announced on 3 April 2019 delays in order decisions for revenues which were expected to be recovered during the second half of the year. Ongoing uncertainty means the group now does not expect to achieve a recovery in order levels before the end of the current financial year.

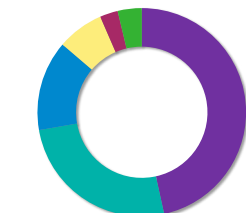
Braemar, a leading international provider of broking, financial, consultancy, technical and logistics services to the shipping, marine, energy, offshore and insurance industries, provided a trading update for the year ended 28 February 2019. While the share price has been depressed in recent months, management believes that the outlook for the year ending 29 February 2020 is positive. The Shipbroking division continues to trade strongly and is supported by the performance of the Financial division as the extensive pipeline of business materialises.

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

## Performance



## Market Cap Breakdown



- 46.55% < £150m
- 25.70% £150m - £500m
- 14.02% £500m - £1bn
- 7.22% £1bn - £2bn
- 0.00% £2bn - £4bn
- 2.79% £4bn +
- 3.72% Cash

Source: Factset

## Top 10 Holdings

	% of Fund
Duke Royalty	7.05
Ramsdens Holdings	6.03
Lok'nStore Group	5.96
Morses Club	4.76
Chesnara	4.37
Real Good Food*	4.26
Circle Property	4.17
PPHE Hotel Group	4.03
Urban Logistics	3.58
Photo-Me International	3.56
<b>Total</b>	<b>47.77</b>

Source: Maitland Institutional Services  
\*Holding includes a 0.05% equity and 4.21% debt split

	Cumulative performance			
	6m	1y	3y	5y
MI Downing Monthly Income Acc	-12.31%	-8.36%	9.06%	10.73%
IA UK Equity Income TR index	-3.10%	3.59%	19.62%	28.11%
MSCI UK All Cap TR index	-1.98%	6.26%	31.47%	33.08%
Quartile ranking	4th	4th	4th	4th

	Discrete performance				
	31/03/2018 31/03/2019	31/03/2017 31/03/2018	31/03/2016 31/03/2017	31/03/2015 31/03/2016	31/03/2014 31/03/2015
MI Downing Monthly Income Acc	-8.36%	4.58%	13.80%	-7.00%	9.17%
IA UK Equity Income TR index	3.59%	0.29%	22.25%	-1.21%	8.41%
MSCI UK All Cap TR index	6.26%	1.20%	15.14%	-4.27%	5.74%
Quartile ranking	4th	1st	3rd	4th	3rd

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)  
£40.8m

### Yield

5.1%

### Income paid

Monthly

### Number of holdings

37

### Prices as at 31 March 2019

Accumulation shares: 182.56p

Income shares: 119.64p

### 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

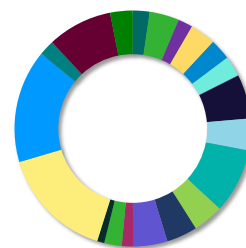
Cofunds Nucleus

Elevate Standard life

Fidelity (Inst) Transact

Fidelity (FFN) Zurich

## Sector Breakdown



2.32%	Banks
4.05%	Cash
2.01%	Diversified industrials
3.52%	Electronic and electrical equipment
2.86%	Engineering and machinery
2.80%	Financials
0.05%	Food producers and processors
6.03%	General retailers
4.37%	Insurance
8.87%	Investment companies
4.18%	Leisure, entertainment and hotels
4.21%	Loans
4.70%	Media and photography
1.53%	Mining
2.40%	Oil & gas
0.98%	Personal care and other household products
15.56%	Real estate
15.50%	Speciality and other finance
2.12%	Support services
8.88%	Telecommunication services
3.08%	Transport

Source: Maitland Institutional Services

## Income Distribution

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

Source: Maitland Institutional Services and Downing LLP

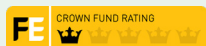
<sup>1</sup>The conversion date refers to the date the investment objective and policy were changed.

<sup>2</sup>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.

<sup>3</sup>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 2018 is 0.97% and is currently capped at 1.00%.

## 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 31/03/2019.** 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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16 April 2019