

MI Downing Monthly Income Fund

September
2018



Market commentary

In August 2018, the Fund was down 0.24%, while the MSCI UK All Cap Total Return Index was down 2.83%. Key contributors were Photo-Me International (up 11.87%) and Ramsdens (up 10.37%). Key detractors included Premier Asset Management (down 12.01%) and Morses Club (down 16.67%).

Photo-Me, the instant-service equipment group, announced the publication of its annual report for the financial year ended 30 April 2018. Highlights included revenues up 7.1%, growth of 5.9% at constant currency, and EBITDA up 2.8%. Photo-Me remains focused on investing in new and complementary products to drive further profitability and extend the suite of services available through its established instant-service equipment network.

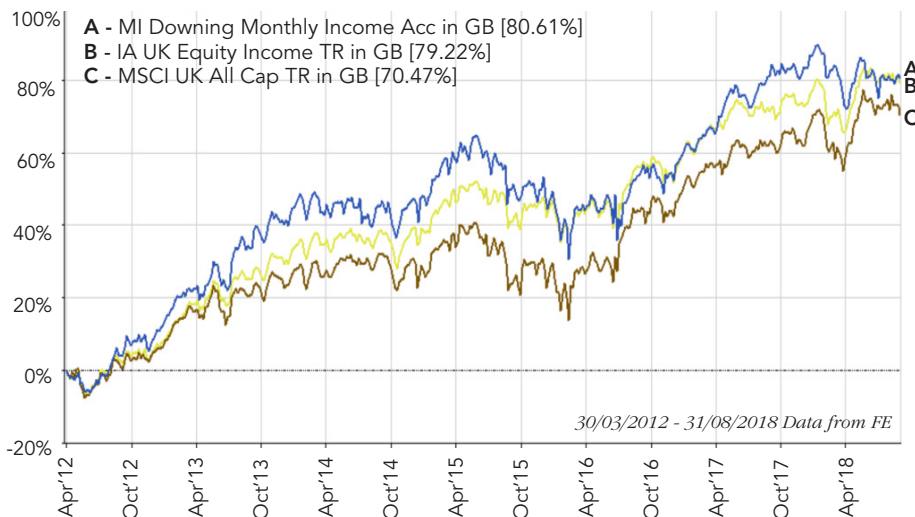
Ramsdens, the diversified financial services provider and retailer, issued no new material news during the month. The disposal of shares by management at the end of June 2018 had prompted shares to fall, however they recovered in August. Media sources reported the sales reflected the management's desire to crystallise profits following the increase of the share price since it came to market in 2017. Recent trading has been strong and we continue to believe that shares offer significant value at these levels.

Premier Asset Management, a retail asset management group, issued no new material news during August. We believe that despite a background of economic and political uncertainty and fast paced technological change, Premier's focus on relevant, actively managed investment products and keen focus on client service, means the group remains well positioned for the future.

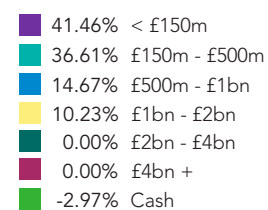
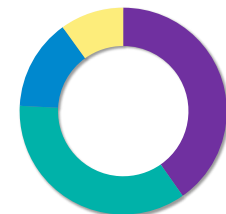
Morses Club, the UK's second largest home collected credit lender, issued a trading update for the 26-week period to 25 August 2018. The business performed strongly in the period, with trading in line with expectations. Total credit issued increased by 4.3% to £85.7 million compared to the same period last year, and cash collections were up 11.9%. Management is confident in the outlook for the rest of the current year and remains positive on opportunities in both the Home Collected Credit and wider non-standard finance markets.

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

Performance



Market Cap Breakdown



Source: Factset

Top 10 Holdings

	% of Fund
Duke Royalty	6.50
Ramsdens Holdings	4.94
Photo-Me International	4.92
Lok'nStore Group	4.74
Warpaint London	4.39
Maintel Holdings	4.00
Circle Property	3.96
Chesnara	3.83
Sabre Insurance Group	3.82
Morses Club	3.62
Total	44.72

Source: Maitland Institutional Services

	Cumulative performance			
	6m	1y	3y	5y
MI Downing Monthly Income Acc	-1.87%	-0.85%	20.46%	35.15%
IA UK Equity Income TR index	4.79%	4.04%	26.30%	43.29%
MSCI UK All Cap TR index	5.52%	4.54%	33.84%	42.48%
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 2012¹

IMA sector

UK Equity Income

Currency

UK Sterling

Types of shares

Income & Accumulation

Fund size

(Income & Accumulation shares combined)
£47.1m

Yield

4.9%

Income paid

Monthly

Number of holdings

38

Prices as at 31 August 2018

Accumulation shares: 207.68p

Income shares: 139.66p

Charges

Initial charge 0%

Annual management charge 0.75%

Ongoing charges 1.00%³
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:

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Springfield Lodge, Colchester Road
Chelmsford, Essex CM2 5PW

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

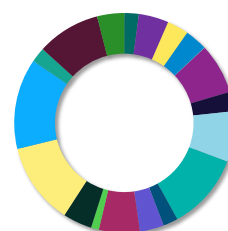
Cofunds Nucleus

Elevate Standard life

Fidelity (Inst) Transact

Fidelity (FFN) Zurich

Sector Breakdown



2.20%	Banks
-2.84%	Cash
4.53%	Construction and building materials
3.25%	Electricity
3.38%	Electronic and electrical equipment
0.05%	Food producers and processors
7.62%	General retailers
2.93%	Information technology hardware
7.65%	Insurance
11.58%	Investment companies
2.24%	Leisure, entertainment and hotels
3.65%	Loans
6.17%	Media and photography
1.19%	Mining
4.39%	Personal care and other household products
12.38%	Real estate
13.72%	Speciality and other finance
2.24%	Support services
9.59%	Telecommunication services
4.08%	Transport

Source: Maitland Institutional Services

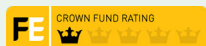
Income Distribution

Period to	Income
30/09/2017	0.5511p
31/10/2017	0.6013p
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

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 31/08/2018. 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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