



MI Downing Monthly Income Fund

January 2020

Portfolio commentary

In December, the Fund was up 5.89% while the IA UK Equity Income Total Return Index* was up 3.93%. Key contributors were Ramsdens Holdings (up 23.71%) and Duke Royalty (up 9.21%). Key detractors included FireAngel Safety Technology (down 7.27%) and PPHE Hotel Group (down 1.60%).

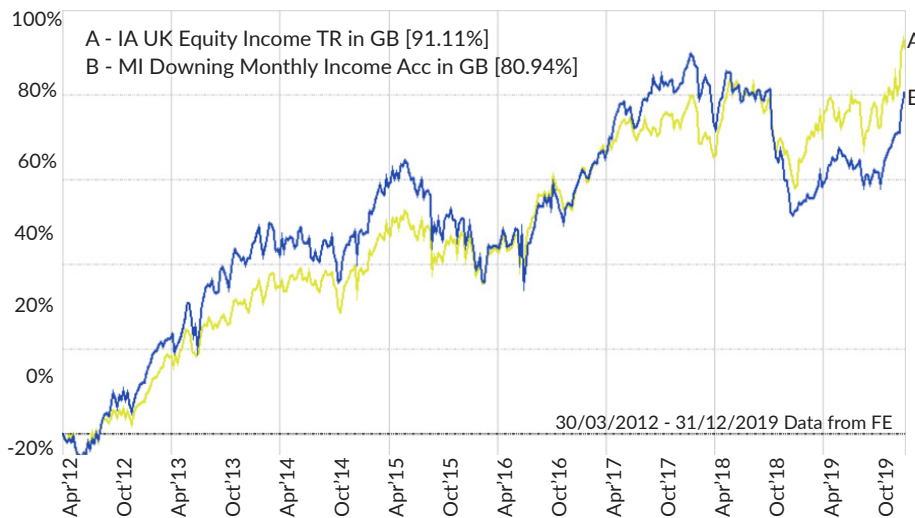
Ramsdens, the diversified financial services provider and jewellery retailer, announced its interim results for the six months ended 30 September 2019 and highlighted a 30% increase in revenue and a 23% increase in profit. A 13% increase in the interim dividend reflected Ramsdens' continued growth and the board's confidence in the outlook for the business.

Duke Royalty, a provider of alternative capital solutions, announced its interim results for the six months ended 30 September 2019 and highlighted material increases to the group's revenue, profitability and cashflow. A strong pipeline of new opportunities and greater financial flexibility gives confidence that the group can continue to grow rapidly. Importantly, the dividend increased for the third time since inception due to follow-on investments made in existing royalty partners.

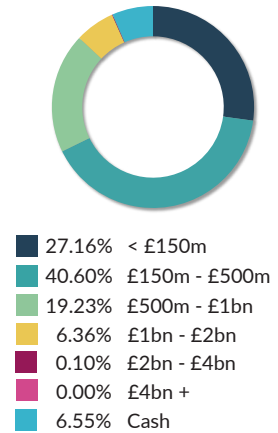
PPHE Hotel Group, the international hospitality real estate group, announced the acquisition of a freehold interest in a site located in London. The acquisition is aligned to the group's strategy of targeting real estate in prime locations where there is significant upside potential to drive growth and long-term value. The share price dipped slightly in December and we believe shares represent good value at these levels.

FireAngel, a leading developer and supplier of home safety products, issued a trading update and warned that results for the year ending 31 December 2019 are now expected to be below previous market expectations. Significant sales growth in 2019 stressed the company's processes and it anticipates lower revenue from European and trade sales being only partially mitigated by lower margin business in the group's retail and fire & rescue services business units. The board is strongly focussed on gross margin, EBITDA and operational cash generation, and remains optimistic for future profitable growth.

Performance



Market Cap Breakdown



Source: Factset

Top 10 Holdings

	% of Fund
Duke Royalty Ltd	6.81
Lok'nStore Group Plc	5.02
Morses Club Plc	4.95
Ramsdens Holdings Plc	4.52
DiscoverIE Group Plc	4.31
Watkin Jones Ltd	4.31
PPHE Hotel Group Ltd	3.85
Circle Property Plc	3.73
Diversified Gas & Oil Plc	3.69
Photo-Me International Plc	3.68
Total	44.87

Source: Maitland Institutional Services Ltd

	Cumulative performance (%)			
	6m	1y	3y	5y
MI Downing Monthly Income Acc	11.05	18.30	12.93	22.59
IA UK Equity Income TR index	8.32	20.07	19.58	38.22
Quartile ranking	1st	4th	4th	4th

	Discrete performance (%)				
	31/12/2018 31/12/2019	31/12/2017 31/12/2018	31/12/2016 31/12/2017	31/12/2015 31/12/2016	31/12/2014 31/12/2015
MI Downing Monthly Income Acc	18.30	-18.40	16.98	7.65	0.84
IA UK Equity Income TR index	20.07	-10.54	11.32	8.84	6.20
Quartile ranking	4th	4th	1st	4th	4th

Past performance is not a reliable indicator of future results. Performance figures source: FE Analytics.

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)
£48.8m

Yield

4.4%²

Income paid

Monthly

Number of holdings

41

Prices as at 31 December 2019

Accumulation shares: 208.06p
Income shares: 131.10p

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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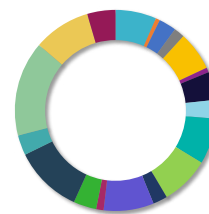
Investment Manager

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	James Hay
All Funds	Novia
Ascentric	Nucleus
Aviva	Old Mutual Wealth
Cofunds	Raymond James
Elevate	Standard life
Fidelity (Inst)	Transact
Fidelity (FFN)	Zurich
Hargreaves Lansdown	

Sector breakdown



6.58%	Cash
0.67%	Construction
2.82%	Diversified industrials
1.71%	Electricity
6.25%	Electronic and electrical equipment
0.76%	Food producers and processors
4.52%	General retailers
3.00%	Insurance
7.38%	Investment companies
7.83%	Leisure, entertainment and hotels
2.31%	Loans
8.07%	Media and photography
1.19%	Mining
3.69%	Oil & gas
10.97%	Real estate
3.24%	Software & computer services
15.29%	Speciality and other finance
9.18%	Support services
4.54%	Telecommunication services

Source: Maitland Institutional Services Ltd

Income distribution

Period to	Income
31/01/2019	0.2832p
28/02/2019	0.2383p
29/03/2019	0.7669p
30/04/2019	0.4500p
31/05/2019	0.4509p
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

Source: Maitland Institutional Services Ltd and Downing LLP

¹The conversion date refers to the date the investment objective and policy were changed.

²The 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.

³Ongoing 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%.

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
Judith MacKenzie: Non-Independent Member
Donald Robertson: Independent Member
Darrell O'Dea: Independent Member

Statistics correct as at 31/12/2019. 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 31/07/19, 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.

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