

# MI Downing Monthly Income Fund

February  
2019



## Market commentary

In January, the Fund was up 1.77% while the MSCI UK All Cap Total Return Index was up 4.26%. Key contributors were Drax Group (up 15.33%) and discoverIE Group (up 13.22%). Key detractors included Duke Royalty (down 7.09%) and FireAngel Safety Technology Group (down 30.49%).

discoverIE Group, a leading international designer, manufacturer and supplier of customised electronics to industry, issued a trading update covering the three-month period from 1 October to 31 December 2018. Trading in the third quarter continued strongly and the group remains on track to deliver full year earnings in line with expectations. Group gross margin for the third quarter remains firm and in line with the first half.

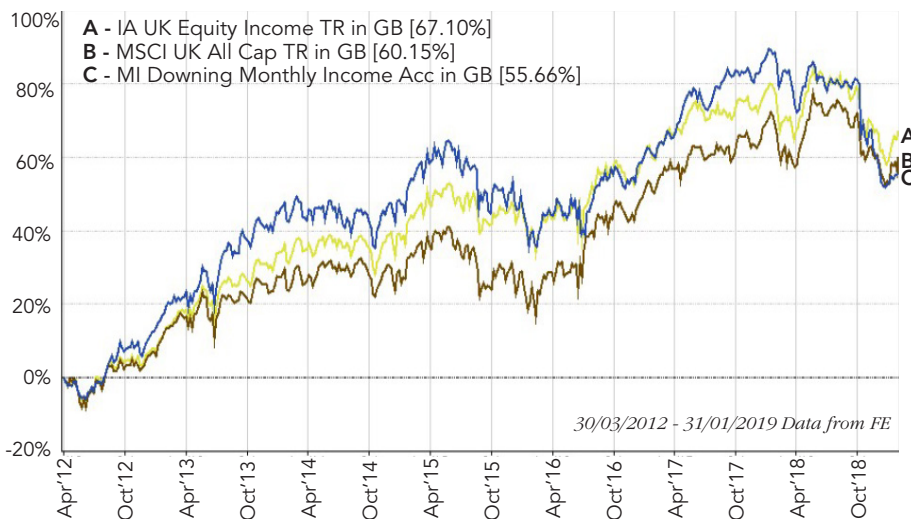
Drax, owner and operator of a portfolio of flexible, low carbon and renewable electricity generation assets, announced the completion of the acquisition of Scottish Power's portfolio of pumped storage, hydro and gas-fired generation. The company also reported the completion of its £50 million share buyback programme.

Duke Royalty, a provider of alternative capital solutions to a diversified range of profitable and long-established businesses in Europe and abroad, made no material announcements in the period. Although the share price fell over the month, we believe the businesses underlying investments continue to perform well, with three having reported revenue growth in excess of 6%.

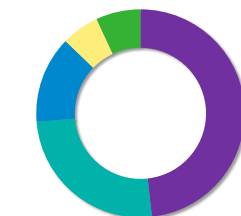
FireAngel, one of Europe's leading developers and suppliers of home safety products, announced that results for the year ended 31 December 2018 are expected to be below market expectations. The board is disappointed with 2018's financial performance; however, it remains confident that the company's transition from a self-contained hardware safety products provider to a more integrated safety solutions provider will underpin strong medium to long-term growth and profitability.

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

## Performance



## Market Cap Breakdown



46.08%	< £150m
29.04%	£150m - £500m
12.23%	£500m - £1bn
4.77%	£1bn - £2bn
0.00%	£2bn - £4bn
0.00%	£4bn +
7.88%	Cash

Source: Factset

## Top 10 Holdings

	% of Fund
Duke Royalty	6.60
Lok'nStore Group	5.49
Ramsdens Holdings	5.44
Morses Club	4.37
Photo-Me International	4.33
Real Good Food*	4.31
Circle Property	4.19
Chesnara	4.03
Urban Logistics	3.77
AdEPT Technology Group	3.61
<b>Total</b>	<b>46.14</b>

Source: Maitland Institutional Services  
\*Holding includes a 0.05% equity and 4.26% debt split

	Cumulative performance			
	6m	1y	3y	5y
MI Downing Monthly Income Acc	-14.02%	-16.49%	10.49%	9.32%
IA UK Equity Income TR index	-8.18%	-5.10%	18.93%	27.59%
MSCI UK All Cap TR index	-8.72%	-4.16%	28.52%	29.60%
Quartile ranking	4th	4th	4th	4th

	Discrete performance				
	31/01/2017 31/01/2018	31/01/2016 31/01/2017	31/01/2015 31/01/2016	31/01/2014 31/01/2015	31/01/2013 31/01/2014
MI Downing Monthly Income Acc	-16.49%	13.81%	-7.61%	7.09%	20.17%
IA UK Equity Income TR index	-5.10%	13.66%	-1.87%	9.33%	15.96%
MSCI UK All Cap TR index	-4.16%	20.44%	-5.16%	6.33%	9.81%
Quartile ranking	4th	2nd	4th	1st	2nd

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)  
£40.3m

### Yield

5.7%

### Income paid

Monthly

### Number of holdings

32

### Prices as at 31 January 2019

Accumulation shares: 178.99p

Income shares: 117.67p

### 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  
Springfield Lodge, Colchester Road  
Chelmsford, Essex CM2 5PW

www.maitlandgroup.com

Dealing: 034 5305 4215

### Investment Manager

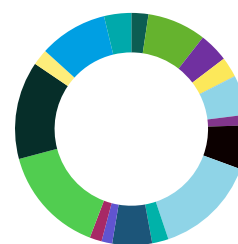
Downing LLP was appointed Investment Manager to the Fund on 1 June 2015.

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



2.35%	Banks
8.10%	Cash
4.05%	Electronic and electrical equipment
2.79%	Engineering and machinery
0.05%	Food producers and processors
5.44%	General retailers
1.47%	Information technology hardware
6.05%	Insurance
14.09%	Investment companies
4.26%	Loans
5.46%	Media and photography
1.47%	Mining
1.66%	Personal care and other household products
13.90%	Real estate
13.50%	Speciality and other finance
2.22%	Support services
9.40%	Telecommunication services
3.74%	Transport

Source: Maitland Institutional Services

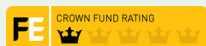
## Income Distribution

Period to	Income
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
30/11/2018	0.6454p
31/12/2018	0.4498p
31/01/2019	0.2832p

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

**Donald Robertson:** Independent Member

**Darrell O'Dea:** Independent Member

**Statistics correct as at 31/01/2019.** 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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14 February 2019