



# MI Downing Monthly Income Fund

July 2019

## Portfolio commentary

In June, the Fund was down 2.00% while the MSCI UK All Cap Total Return Index was up 3.47%. Key contributors were Duke Royalty (up 4.40%) and Ramsdens Holdings (up 7.37%). Key detractors included Chesnara plc (down 8.58%) and Somero Enterprises (down 21.27%).

Duke Royalty, a provider of alternative capital solutions to a diversified range of profitable and long-established businesses, made a dividend declaration. The company announced that the board has approved an interim dividend of 0.7 pence (sterling) per share.

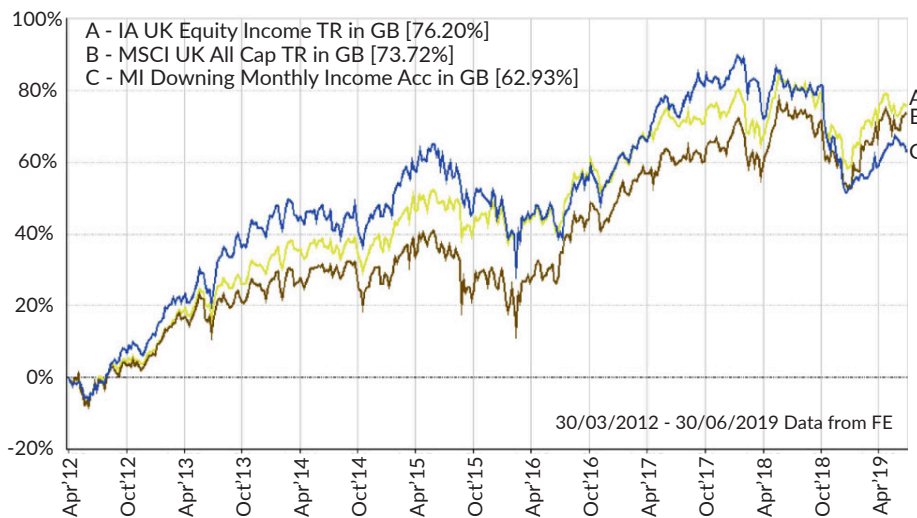
Ramsdens, the diversified financial services provider and retailer, announced its annual results for the year ended 31 March 2019. Financial highlights included group revenue increased by 17% and underlying EBITDA was up 5%.\* The proposed final dividend of 4.8p, if approved, will take the full year dividend to 7.2p. Ramsdens reported that customer demand across its business segments remained strong and the group has a number of clear growth opportunities. The board remains confident that the group will successfully deliver its strategic objectives and make further progress in the year ahead.

Chesnara, an established life and pensions consolidator in the UK and Europe, made no material announcements during June. We believe that the share price was impacted by negative sentiment around Brexit due to the company's European operations. A degree of underlying earnings are linked to market returns, and with market weakness comes the perception that less cash will be available for distribution.

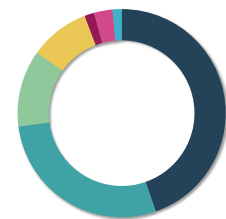
Somero, an industry-leading concrete levelling equipment provider, issued a trading update that indicated trading during the five-month period to the end of May 2019 had fallen below management's expectations. This was primarily due to adverse weather conditions in the US, the company's largest market. Management stated that while it was disappointed to revise its outlook for full year expectations in 2019, it does not see a fundamental change in its markets. It continues to have an optimistic outlook for the business in 2019 and beyond as its customers return to more typical levels of productivity.

\*The underlying figures reflect EBITDA adjusted for the share-based payments charge.

## Performance



## Market Cap Breakdown



44.68%	< £150m
28.27%	£150m - £500m
11.91%	£500m - £1bn
9.36%	£1bn - £2bn
1.51%	£2bn - £4bn
2.89%	£4bn +
1.38%	Cash

Source: Factset

## Top 10 Holdings

	Cumulative performance (%)			
	6m	1y	3y	5y
MI Downing Monthly Income Acc	6.53	-8.71	16.32	12.50
IA UK Equity Income TR index	10.70	-2.63	23.21	29.46
MSCI UK All Cap TR index	13.10	0.31	28.98	34.27
Quartile ranking	4th	4th	4th	4th

	Discrete performance (%)				
	30/06/2018	30/06/2017	30/06/2016	30/06/2015	30/06/2014
MI Downing Monthly Income Acc	-8.71	2.59	24.20	-10.65	8.25
IA UK Equity Income TR index	-2.63	6.04	19.34	-1.82	7.02
MSCI UK All Cap TR index	0.31	9.19	17.76	2.24	1.81
Quartile ranking	4th	4th	1st	4th	1st

Past performance is not a reliable indicator of future results.

	% of Fund
Duke Royalty	7.52
Ramsdens Holdings	5.96
Lok'nStore Group	4.94
PPHE Hotel Group	4.43
Circle Property	4.31
Photo-Me International	4.30
Real Good Food*	4.23
Chesnara	3.87
Urban Logistics	3.76
AdEPT Technology Group	3.55
Total	46.87

Source: Maitland Institutional Services Ltd  
\*Holding includes a 0.06% equity and 4.17% debt split

## 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)  
£41.2m

### Yield

4.9%<sup>2</sup>

### Income paid

Monthly

### Number of holdings

39

### Prices as at 30 June 2019

Accumulation shares: 187.35p  
Income shares: 121.10p

### 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

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Chelmsford, Essex, CM1 3BY

www.maitlandgroup.com

Dealing: 034 5305 4215

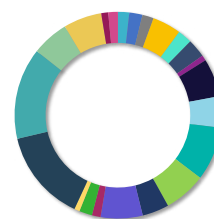
### Investment Manager

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



1.76%	Cash
2.07%	Diversified industrials
1.78%	Electricity
4.50%	Electronic and electrical equipment
2.24%	Engineering and machinery
2.89%	Financials
0.85%	Food producers and processors
5.96%	General retailers
4.90%	Insurance
8.42%	Investment companies
6.60%	Leisure, entertainment and hotels
4.17%	Loans
6.57%	Media and photography
1.35%	Mining
2.02%	Oil & gas
0.84%	Personal care and other household products
14.43%	Real estate
14.31%	Speciality and other finance
5.78%	Support services
5.98%	Telecommunication services
1.09%	Transport
1.51%	Water

Source: Maitland Institutional Services Ltd

## Income Distribution

Period to	Income
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
29/03/2019	0.7669p
30/04/2019	0.4500p
31/05/2019	0.4509p
28/06/2019	0.4907p

Source: Maitland Institutional Services Ltd and Downing LLP

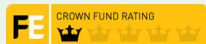
<sup>1</sup>The conversion date refers to the date the investment objective and policy were changed.

<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 30/06/2019.** 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/FE. 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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12 July 2019