

**SHINING A LIGHT ON THE.....
MI Downing Diversified Global Managers Fund**

AT A GLANCE

Investment Objective		
<p>The investment objective of the Fund is to provide medium to long term capital growth on a medium risk basis. It is intended that this objective will be achieved by the Fund investing primarily in a diversified portfolio of units/shares of collective investment schemes, (including, but not restricted to, Exchange Traded Funds, unregulated funds such as hedge funds, collective investment schemes which themselves invest in property and/or the shares of property companies, and index-linked collective investment schemes), and transferable securities (including, but not restricted to, shares in investment companies including investment trusts which themselves invest in equities, property and/or the shares of property investment companies and equity linked transferable securities and fixed interest securities) on a global basis.</p>		
Inception Date	24 September 2017	
Fund Factsheet Link	http://www.morningstar.co.uk/uk/funds/snaps/hot/snapshot.aspx?id=F000000K1D	
Management		
Manager Name	Start Date	
Neil Shillito	24 September 2007	
Alyx Wood	3 February 2016	
Investment Style Details		
Equity Style		
Market Capitalisation	% of Equity	
Giant	14.42%	
Large	27.35%	
Medium	29.74%	
Small	17.76%	
Micro	10.73%	
Top 10 Holdings		
Total number of holdings	-	
Assets in Top 10 Holdings	38.81%	
Name	Sector	% of Assets
Overstone Emerging Markets	-	4.90%
Time Commercial Freehold M Gross Acc	-	4.78%
Alquity SICAV Alquity Asia Y Acc	-	4.37%
MI Somerset Emerg Mkts Sm Cp B Acc	-	4.12%
Edgewood L Sel US Select Growth I GBP DH	-	4.05%
Polar Capital Gbl Convert I GBP Hdg Acc	-	3.97%
Arcus Japan Relative Institutional Acc	-	3.22%
Yuki Japan Rebounding Growth Fd JPY	-	3.19%
Conventum Lyrical Fund I	-	3.17%
Ennismore European Smaller Comp GBP A	-	3.03%
Volatility Measurements		
3-Yr Std Dev (volatility)	7.34%	
3-Yr Mean Return (average)	10.30%	

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FUND PERFORMANCE

Performance from 1st January 2013 to 30th September 2018:

	2013	2014	2015	2016	2017	2018
MI Downing Diversified Global Managers Fund	12.77%	6.33%	3.39%	8.80%	12.07%	-0.70%
FTSE World TR	22.36%	11.29%	4.34%	29.59%	13.34%	8.75%

Performance over 12 months, 3 years, 5 years and since launch:

	1 year	3 years	5 years	Since launch
MI Downing Diversified Global Managers Fund	3.87%	33.14%	34.95%	55.65%
FTSE World TR	14.16%	72.85%	95.08%	175.00%

You should note that past performance is not a reliable indicator of future returns and the value of your investments can fall as well as rise. The total return reflects performance without sales charges or the effects of taxation, but is adjusted to reflect all on-going fund expenses and assumes reinvestment of dividends and capital gains. If adjusted for sales charges and the effects of taxation, the performance quoted would be reduced.

UPDATE....

On paper this is an interesting fund. The primary aim of the fund is to deliver a return through investing in boutique investment houses' funds which are not always available to the retail investor. By accessing these funds through this structure, the managers of the fund believe investors are investing in some of the most talented fund managers, a tight disciplined process and managers whose interests are aligned to that of their clients.

The argument is that over time these funds tend to outperform their retail counterparts, although there will be periods when the investment style is out of favour. Their role is to dig out and find those hidden gems. The process is one anyone could look at and agree makes sound sense; they look at the size of the fund (small is good), the freedom the manager has, the alignment to investors whether through investing in the fund or company and the experience of the manager.

The ultimate selection of funds depends on the managers ability to generate value, implement a robust and repeatable investment process and offer exposure to a specific factor risk, investment strategy or asset class.

They are happy to mix investment styles so for example, value with growth, on the basis that if one goes up and goes down the overall position is positive. Types of funds they hold includes Tosca Small-Cap, Ennismore European Smaller Companies, Yuki Japan Rebounding, Somerset Frontier and Edgewood Select.

In talking to the managers, the process and style is not in question, but the concern is around charges and returns. These types of funds tend to be more expensive; bundled together this makes the fund expensive to invest in. We would argue that costs are not an issue if the performance supports this, but the fund hasn't really delivered over any period. In theory this should be an "all-weather" fund so

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whatever is in favour the fund should do well, but clearly the fund is struggling to deliver, and potential investors would be right to question this.

In summary, we like the management team and the process, but the weak performance is a concern and any potential investor would need to investigate and monitor this further.

The source of information in this note has been provided by MI Downing and is correct as at October 2018. These are notes from meeting the fund manager or representative and should not be seen as a recommendation to purchase any fund mentioned. Any reference to shares is not a recommendation to buy or sell. Should you wish to make a decision based on these notes we cannot take responsibility for this and you should carry out your own research before making a decision. We would also recommend that you receive advice before following up on any decision.