

**SHINING A LIGHT ON THE.....
Premier Ethical Fund**

AT A GLANCE

Investment Objective	
The fund seeks to achieve capital growth over the long term. The Fund's investment policy is to invest in companies which meet defined ethical criteria predominately in the UK, although the Investment Adviser may invest internationally when appropriate. The Premier Ethical Fund has an independent Committee of Reference, which meets regularly to discuss research on topical issues relating to the ethical criteria.	

Inception Date	28 July 1986
Fund Factsheet Link	https://www.morningstar.co.uk/uk/funds/snapshot/snapshot.aspx?id=FOGBR04D7U

Management	
Manager Name	Start Date
Benji Dawes	1 July 2019
Jon Hudson	1 July 2019

Investment Style Details	
Equity Style	
Market Capitalisation	% of Equity
Giant	7.40%
Large	12.55%
Medium	17.90%
Small	32.95%
Micro	29.19%

Top 10 Holdings		
Total number of holdings	47	
Assets in Top 10 Holdings	35.91%	
Name	Sector	% of Assets
Legal & General Group PLC	Financial Services	4.22%
GlaxoSmithKline PLC	Healthcare	4.14%
Dart Group PLC	Industrials	4.07%
Gym Group (The) PLC	Consumer Cyclical	3.90%
Prudential PLC	Financial Services	3.39%
Spirent Communications PLC	Communication Services	3.38%
Just Eat PLC	Communication Services	3.23%
Hikma Pharmaceuticals PLC	Healthcare	3.23%
Bellway PLC	Consumer Cyclical	3.22%
Unilever PLC	Consumer Defensive	3.12%

Volatility Measurements	
3-Yr Std Dev (volatility)	12.25%
3-Yr Mean Return (average)	11.66%

LWM Consultants Ltd

FUND PERFORMANCE

Performance from 1st January 2014 to 31st January 2020:

	2014	2015	2016	2017	2018	2019	2020
Premier Ethical Fund	6.29%	14.42%	3.98%	18.69%	-16.75%	38.66%	1.33%
FTSE All Share Index	1.18%	0.98%	16.75%	13.10%	-9.47%	19.17%	-3.25%

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

	1 year	3 years	5 years	Since launch
Premier Ethical Fund	31.23%	39.20%	61.05%	1,420.72%
FTSE All Share Index	10.67%	18.44%	35.61%	1,687.53%

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....

The fund was launched in the mid-eighties and has developed over time. The managers have run the UK Growth Fund since November 2017, and recently taken on this fund. The strategy is to encourage the positive. It actively looks to invest in those companies that are involved in products and services that aid environmental sustainability, including mitigating climate change. It also looks for those companies whose products and services have an emphasis on improving individuals' basic standard of living. On the other side it will avoid those companies with a negative social and environmental effect.

The managers look to invest in high quality companies but at the same time they don't want to overpay for these. It is a multi-cap fund where the large cap provides liquidity and a cushion when mid and small cap are out of favour. They look to avoid the macro noise but focus on the stocks which is where their skill lies.

As a team they have very different focuses. Jon is more focused on valuations and Benji on those companies that can generate growth in the future. It means that they must convince each other of the merits of a stock before it is added.

The types of companies are those with high returns in investor capital, strong market position, strong cash flow generation and robust balance sheet. Examples include Frontier Developments which is a gaming company. They have a clear return path and a moat to their business. They are careful with the life span of their products and reporting of this. Another example is Caretec who run care homes for vulnerable people.

Others include the Dart Group who treat customers fairly and tend to travel to destinations which are not easily accessible by other means. Trainline account for 50% of all tickets purchased on-line and encourage paperless tickets. They also treat their staff well. B&M is a discount retailer who have a low-cost base, low store costs and again treat staff well.

LWM Consultants Ltd

They look to invest in companies at different stages of growth; high growth, steady growth where most of the portfolio sits, and latent growth. Downside protection is important to the process. The strategy will only invest in those companies who have a proven record. They will not invest in any exclusion policies and about half of what they invest in benefits society. Some Ethical strategies invest in companies that are transitioning from old world to new world. This fund will not do that.

The fund will look to hold between 40 to 60 stocks, and 85% of the fund overlaps with the UK Growth Fund which they manage. There is an Ethical committee of four who oversee the management and they have recently added to the team to provide more insight and guidance.

In summary, for investors looking for Ethical investing in the UK this fund certainly has an excellent track record. It has also demonstrated that investing in an Ethical strategy doesn't mean investors have to compromise returns and this has significantly outperformed the index, although since launch it is behind. There are a smaller group of UK ethical funds and we would recommend investors look at all of these before making any decisions.

The source of information in this note has been provided by Premier and is correct as at February 2020. 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.