

SHINING A LIGHT ON THE.....
Premier Miton Global Smaller Companies Fund

AT A GLANCE

Investment Objective
The fund aims to provide investors with long-term capital growth by investing in an actively managed portfolio of smaller company shares from a range of geographical regions and industry sectors around the world.

Launch date	22 March 2021
Fund Factsheet Link	-

Management	
Manager Name	Start Date
Alan Rowsell	22 March 2021
Imogen Harris	22 March 2021

UPDATE....

This is a brand-new strategy and therefore at this stage we do not have details on holdings, performance etc. Alan managed the ASI Global Smaller Companies for several years. This recently went through a period of underperformance and this could have been attributed to the size of the strategy or the style being out of favour. If it was a combination of the two then opening a new strategy which is much smaller may benefit potential investors. He does however face tough competition as ASI have a specialist smaller companies team, they have a developed called the matrix and Harry Nimmo has gone back to managing the ASI fund.

This was an introduction to the new team. Alan started by explaining that the strategy will be like that at ASI. He will look to invest in between 40 to 60 companies and focus on quality, growth, and momentum characteristics. He explained that Premier have a strong pedigree in smaller companies, and they will look to harness ideas across these desks.

They follow a three-step process which covers:

Quant screening – this is the critical part of how they can find the companies – this covers company level screening, sector level screening, factor level and macro level screening

Fundamental research – this is looking at areas like barriers to entry, robust balance sheets, and improving returns on capital. They look at what is included in the the price and then downside risks

ESG – this is built into the process as they believe this will move share prices

Everything is scored and although this is not the matrix it has similar characteristics. The portfolio is made up of highest conviction ideas. The maximum stock holding will be 5%, they will be + / - 20% country sector weighting and + / - 25% sector weightings. 80% will be in smaller companies. In terms of this we know that it is worth noting the ASI fund is more mid-cap and it will be interesting to see if this is true small cap.

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In terms of when they will sell, this will be where the investment case changes. The company screens poorly, there is higher conviction elsewhere or they are fully valued. The strategy is currently looking to invest across IT, industrials, financials, consumer discretionary and healthcare.

Examples of holdings include:

Sinbon Electronics – this is a Taiwanese company that works across areas including medical, automotive, green energy, industrial and communication industries with long term relations with global names

Genus – this aims to produce high-quality protein and milk more efficiently and safely

In summary, this is a really interesting strategy, and we believe that many of the problems at ASI were due to size and style and therefore this might be an interesting opportunity for investors. On the flip side much of ASI's success has been built over many years and the matrix is at the heart of what they do. The question is whether Alan can replicate the success without the team and matrix at ASI. We would watch this to see how the fund looks and performs over time.

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