

## SHINING A LIGHT ON THE..... Premier Miton UK Growth Fund

### AT A GLANCE

Investment Objective
The fund aims to achieve capital growth. The Fund's investment policy is to invest in equities, primarily in the UK, in order to seek long term capital growth. The Fund shall be actively managed and the investment strategies pursued will identify opportunities for growth subject to prevailing market conditions.

Inception Date	21 <sup>st</sup> June 1972
Fund Factsheet Link	<a href="https://www.morningstar.co.uk/uk/funds/snapshot/snapshot.aspx?id=F0000007X4">https://www.morningstar.co.uk/uk/funds/snapshot/snapshot.aspx?id=F0000007X4</a>

Management	
Manager Name	Start Date
Benji Dawes	1 <sup>st</sup> November 2017
Jon Hudson	1 <sup>st</sup> November 2017

### FUND PERFORMANCE

Performance from 1<sup>st</sup> January 2016 to 30<sup>th</sup> September 2021:

	2016	2017	2018	2019	2020	2021
<b>Premier Miton UK Growth Fund</b>	5.08%	12.68%	-6.82%	39.42%	11.68%	16.08%
<b>FTSE All Share</b>	16.75%	13.10%	-9.47%	19.17%	-9.82%	13.56%

Performance over 12 months, 3 years, and since fund manager inception:

	1 year	3 years	Since fund manager inception
<b>Premier Miton UK Growth Fund</b>	35.72%	53.92%	71.06%
<b>FTSE All Share</b>	27.89%	9.53%	13.84%

*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.*

Tracking Error	Information Ratio	Active Share	Upside Capture Ratio	Downside Capture Ratio	Batting Average	Beta	Alpha	Equity Style
8.52%	1.64	-	112.25	85.27	61.11	0.98	7.92	Small/Growth

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### Volatility Measurements

3-Yr Std Dev (volatility)	23.54%
3-Yr Mean Return (average)	15.46%

### Investment Style Details

Giant	6.36%
Large	5.78%
Medium	22.36%
Small	44.34%
Micro	19.23%

### Top 5 Holdings – 67 Equity Holdings

TinyBuild Inc	Communication Services	3.14%
Spirent Communications PLC	Technology	2.86%
Revolution Beauty Group PLC	Consumer Defensive	2.83%
Games Workshop Group PLC	Consumer Cyclical	2.69%
Hikma Pharmaceuticals PLC	Healthcare	2.66%

### Top 5 Sectors

Consumer Cyclical	22.05%
Communication Services	15.47%
Technology	13.02%
Financial Services	10.21%
Industrials	9.30%

### UPDATE....

We have met Benji Dawes before when we were researching the Ethical Strategy which they jointly manage. This meeting was with the co-manager, Jon Hudson, to understand how the two work together and pull out some of the differences between the strategies.

There is an overlap between holdings on the two funds of around 80%. The strategies follow the same process, focusing on high quality companies with proven models and are cash generative. The challenge for them as managers is finding those companies that can deliver on that. They have always worked with an ESG lens because they believe that delivers good companies. It was this background that led them to taking over the Ethical Strategy.

Although they do not have the same constraints as the Ethical Fund, they do have a moral overlay. They own Flutter Entertainment within this strategy as they believe this is a well-managed book making company. They also own IG trading platform where the incentives within the company are for the clients to make money. These are companies they are happy to own in the Growth Fund but across both strategies they don't own the likes of Shell and BP as they believe there are too many structural challenges. The same is also true of tobacco.

We talked about governance and how staff are treated, and Jon explained this is really important using Jet 2 as an example, who treat staff well and include them in the share of the profits. Doing this creates a happy workforce and one that is more likely to stay.

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We talked about the different styles, and Jon explained that he is a value investor at heart, and Benji a growth manager. This challenge coming from both sides helps them to identify the highest quality growth opportunities and they don't believe that they are overpaying for those. The art is to find something in a company that is being underappreciated by the market. What makes it stand out, and what gives that added layer of protection? To understand a company they use a mix of data points, visiting offices and meeting staff and management.

In terms of final decisions Jon explained that everything is jointly agreed, although sometimes one may have a higher conviction in a stock. If an idea goes wrong, they both take responsibility for that. Everything comes down to the process.

Although the fund is skewed towards small and mid-cap, they see this as an all-cap. It just so happens that in identifying the best opportunities the fund does average out more as a mid-cap fund.

In summary, the managers believe that investors should have choice. The Ethical Fund has specific exclusions which the Growth doesn't have. But both funds following the same process and the ESG overlay which helps them identify the highest quality companies at the right price.

There is a moral overlay, so although companies that breach the Ethical exclusions could end up in the Growth Fund, they still need fit to their quality guidelines. As an example, we discussed a trading platform that has no care for the customer and is all about profit from company, and an airline who treated staff poorly leading to large staff turnover. Neither of these companies would end up in the Growth Fund.

The reason for having two strategies is that some investors may want the exclusions and that would lead to Ethical. If they still want the ESG overlay but are less worried about exclusions then the Growth Fund is the potential route. In terms of performance, they would expect the UK Growth to slightly outperform overtime but the Ethical to carry slightly less risk.

*The source of information in this note has been provided by Premier Miton and is correct as of October 2021. 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.*