

SHINING A LIGHT ON THE.....
Premier Miton European Equity Income Fund

AT A GLANCE

Investment Objective
The objective of the fund is to provide an income together with capital growth over the long term, being five years or more. Five years is also the minimum recommended term for holding shares in this fund. This does not mean that the fund will achieve the objective over this, or any other, specific time period and there is a risk of loss to the original capital invested.

Inception Date	6 th September 2021
Fund Factsheet Link	-

Management	
Manager Name	Start Date
Will James	6 th September 2021

UPDATE....

This is a new fund launched on 6th September. Will James previously managed the ASI Europe ex UK Income Equity Fund from launch in April 2009 to December 2020. He joined Premier as he felt he had more freedom and latitude. He also has access to information from the European equities team, the UK income team and specialist income strategy team, which provides him with a rich source of ideas across the European market.

He sees responsible investing as ensuring that capital is allocated to the right type of companies.

The aim is to drive growth from income and capital. His philosophy focuses on four areas:

1. Bottom up, long term focus
2. Understanding a company's capital allocation policy
3. Focusing on the downside risks as well as the upside potential
4. Understanding how dividends form part of the overall return

Dividends fall into three areas: growth (compounding of growing dividends), inflection (changing capital allocation priorities but cash generative), and delivery (more mature dividend payers with less growth potential). This delivers a style agnostic portfolio.

Some examples of stocks include:

Lindab International, who produce ventilation systems within buildings. This is a dividend growth story. With a new CEO the business has seen a better return profile and capital being allocated in the right places.

Ahold Delhaize is a food retailer in the Benelux regions and US. It generates healthy cash flows, has a strong dividend pay-out ratio and is yield circa 4%. This falls under delivery i.e., a more mature business.

LWM Consultants Ltd

AP Moller-Maersk is a Danish shipping company who are committed to paying out 30 to 50% of the underlying profit. This falls under inflection.

The strategy is overweight financials where Will sees the greatest opportunities, but he believes the strategy is well diversified with a broad opportunity set. Valuation plays a big part in the process, and he doesn't want to invest in a company where the valuation is driven by the market and therefore detached from the business fundamentals.

In summary, this is the second fund manager to leave ASI for Premier Miton. Clearly Will sees greater freedom within this role and has a good track record from his previous strategy. In this case we would want to watch as previous success does not guarantee future success, and he is working with new people.

The source of information in this note has been provided by ASI and is correct as of November 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.