

Premier Miton Emerging Markets Sustainable Fund – May 2023

LWM FUND SPOTLIGHT PREMIER MITON EMERGING MARKETS SUSTAINABLE FUND

INVESTMENT OBJECTIVE

The objective of the Fund is to achieve capital growth over the long term, being five years or more.

INCEPTION DATE

21 April 2023

FUND FACTSHEET

<https://www.trustnet.com/factsheets/O/ENNO/premier-miton-emerging-markets-sustainable-c-acc-gbp>

MANAGEMENT

Manager Name

Start Date

William Scholes

21 April 2023

Fiona Manning

21 April 2023

OTHER DATA

Benchmark

IA Global Emerging Markets

Fund Size

£1.5 million

Fees

1.00%

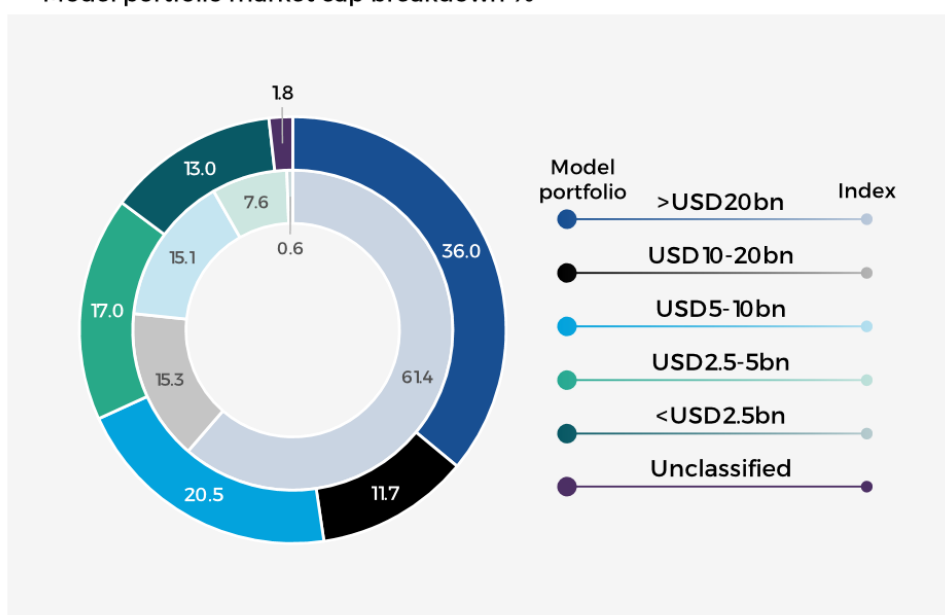
BULL POINTS (PRO)

- Team have worked together previously at Abrdn Asset Management.
- Sustainable / exclusionary strategy.

BEAR POINTS (CONS)

- New fund (no track record at Premier Miton).
- Fund size.

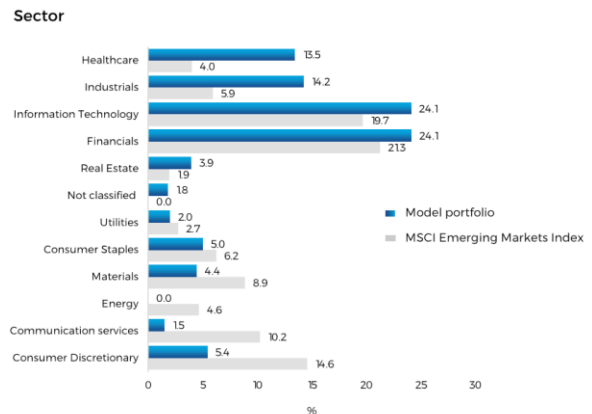
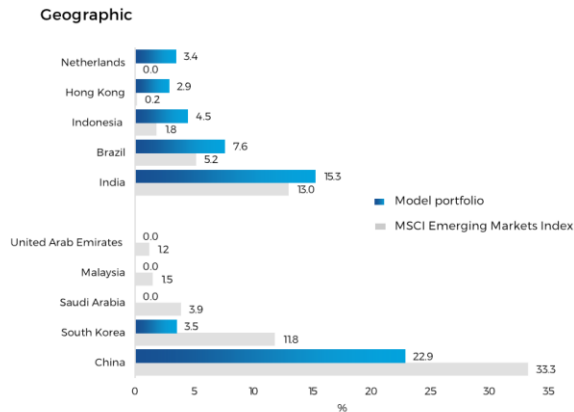
Model portfolio market cap breakdown %



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Premier Miton
INVESTORS

Expected portfolio 5 Top and bottom active positions



Portfolio breakdown

Top 10 holdings (%)



■ Top 10 holdings **35.3%**
■ Rest of portfolio **64.7%**

Taiwan Semiconductor Manufacturing	7.8
Housing Development Finance	4.0
Prudential	3.7
Samsung SDI	3.3
Chroma ATE	3.2
Raia Drogasil	2.9
ASM International	2.6
Embassy Office Parks REIT	2.6
Shenzhen Inovance Technology	2.6
Shenzhen Mindray Bio-Medical Electronics	2.6

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LWM FUND ANALYSIS

Reviewing any new fund has challenges. The fund has been set up by Fiona Manning and William Scholes, who joined Premier Miton in 2022 from Abrdn Asset Management.

Running the fund manager data vs the peer group doesn't seem to show a positive light in terms of performance.

Performance vs peer group composite: Fiona Manning

How a manager matches up against their peers gives you some idea of how talented they are. Very few managers perform equally well in rising and falling markets, so knowing which type of market a manager is capable of performing well within is also important.



We couldn't track the same data for William Scholes.

The availability of options within emerging markets is vast. There are 162 funds to choose from and 11 investment trusts, and therefore the general view is that the team will need to demonstrate good performance and something different to gain traction within this market.

The team started by outlining the opportunities. Emerging markets have struggled over the last decade and they now see significant opportunities.

How can emerging markets deliver in the decade ahead?

Emerging markets: from stagnation to reinvention

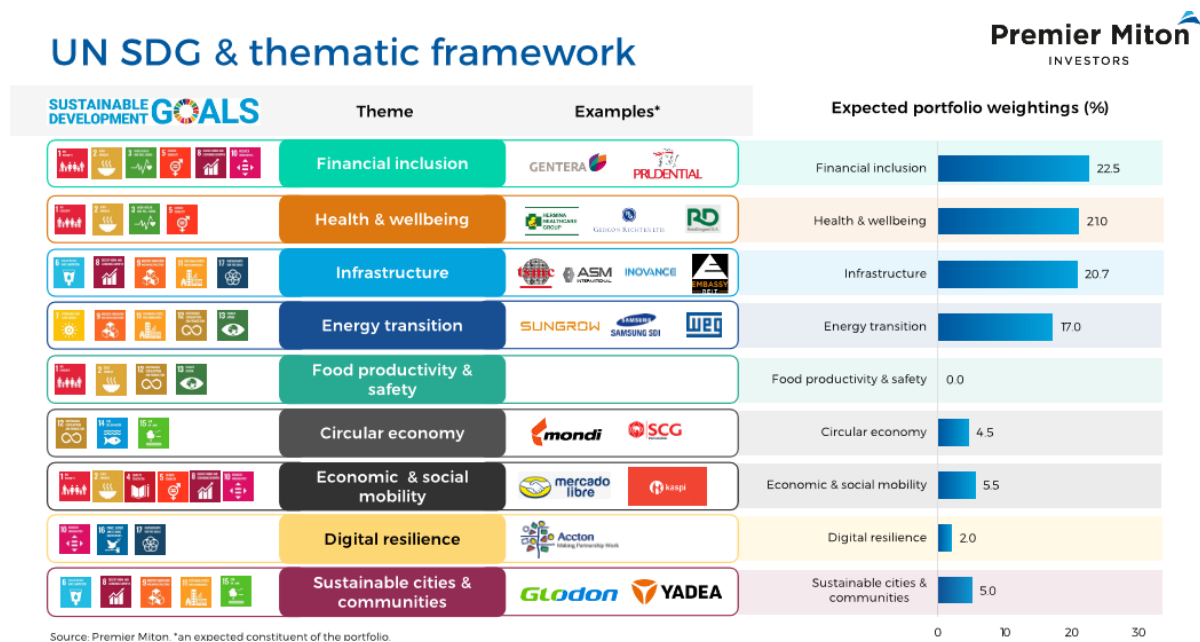
Expansion	Stagnation	Reinvention
2001 - 2011 Industrial age: bulks and rebar Base metals Carbon-intense, emitting Globalising China competing India booming Mobile money, remittances Central bank, foreign capital	2012 - 2022 Information age: chip & wafer Platinum group metals Transition, offsetting Optimising China crowding out India reforming Ecommerce, payments Central bank, domestic capital	2023 - 2033 Second information age: generative AI Battery metals Renewable, abating Balkanising & customising ASEAN resurgent India re-investing Digital banking, insurance Finance ministry, domestic capital

Government	Shareholder	Stakeholder
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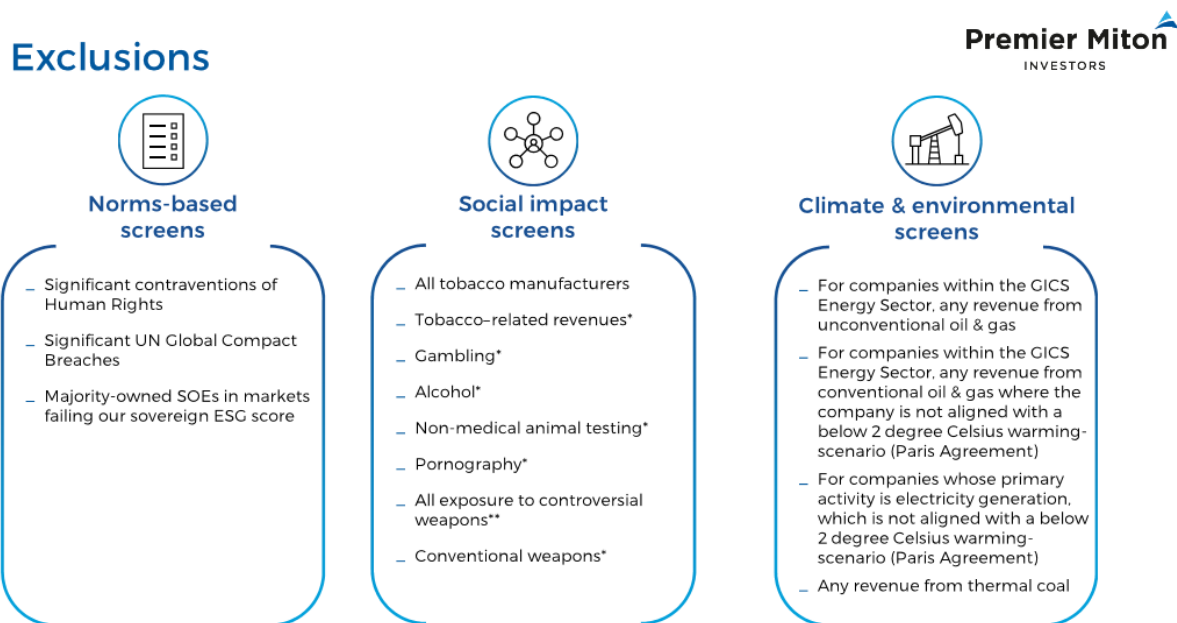
- Financial inclusion
- Health & wellbeing
- Infrastructure
- Energy transition
- Food productivity & safety
- Circular economy
- Economic & social mobility
- Digital resilience
- Sustainable cities & communities

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The strategy will use the UN SDG as its framework.



It also has an exclusionary policy:



They believe this new strategy can tap into the structural shifts within emerging markets and can not only outperform the index, but do this with lower levels of volatility. Without a track record it is hard to see whether the team can achieve this.

To be something different they see 3 as the magic number:

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If they get this right then they believe they can offer investors something different.

The team discussed ESG risk analysis, however we would like to see more on how Premier Miton engage and vote, as this will be a crucial element of the success of the strategy.

In summary, we didn't come away with an instant need to invest. We have concerns about the performance track record of the team and whether this really offers something substantially different in what is already a crowded market. The focus on sustainability and exclusions also needs to include active engagement and it is not clear how active Premier and the team are with this. We would probably want to see at least a three year track record and details on engagement before we considered this strategy.

The source of information in this note has been provided by Premier Miton and is correct as of May 2023. 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.

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