

FUND RANGE

RSMR

PREMIER MITON INVESTORS
PREMIER MITON DIVERSIFIED
FUND RANGE

June 2021



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FUND RANGE PROFILE – PREMIER MITON DIVERSIFIED FUND RANGE

OUR FUND RANGE PROFILES provide an in-depth review of our leading rated funds and are designed to give advisers, paraplanners and analysts an 'under the bonnet' view of the fund.

In providing more detailed commentary than a standard fund factsheet we believe our fund profiles set the standard for the next generation of research notes, aiding in fund selection and in meeting the ongoing suitability requirements expected by the FCA, and helping ensure firms deliver good client outcomes.

All of our rated funds are subject to rigorous and ongoing scrutiny on both a qualitative and quantitative basis. Our fund methodology is available for download from the RSMR Hub – <http://rsmr.co.uk>.

RSMR rated the Premier Miton Diversified fund range in April 2021. The main Diversified Growth fund was launched in December 2010, although the current lead fund manager, Neil Birrell, took over the fund's management in March 2013. The Diversified Income fund followed in June 2017 and the current range was completed with the launch of three funds across different risk profiles in March 2019. They are an actively managed suite of mainly directly invested, cost competitive multi-asset solutions with differing risk and return profiles.

The funds are managed with a combination of top-down macroeconomic and market analysis and bottom-up investment selection. Neil Birrell is responsible for the funds' asset allocation positioning but he draws upon the opinions of various fund managers within the Premier Miton fund management team who are responsible for different asset classes. Investment decisions are then delegated to the same fund managers to build appropriate sub-portfolios, although Birrell has ultimate responsibility for all fund decisions.

As Premier Miton's Chief Investment Officer, Neil Birrell is uniquely positioned to manage funds of this nature using the current investment process. He has direct access to the different fund management teams and has first-hand knowledge of their different skills. The Diversified Growth fund has produced a strong, longer-term track record and the remaining funds in the range have performed well since their respective launches and we believe they have the capabilities to generate competitive risk-adjusted returns over the medium to long term.



Stewart Smith, Investment Research Manager, RSMR

Stewart joined RSMR in August 2011 and has played a key role in the development of the market-leading RSMR ratings service and also manages a large number of bespoke advisory portfolios on behalf of a wide range of IFA clients.

Stewart joined RSMR from Honister Capital where he was part of the internal research team responsible for fund and product research, including construction of the recommended fund and product list for the company's financial advisers involving, amongst other things, face-to-face meetings with the fund managers and attending conferences.

EXECUTIVE SUMMARY

■ The Premier Diversified fund range was rated by RSMR in April 2021 and consists of five, actively managed, multi asset, directly invested funds managed to the same asset allocation and investment process. The flagship Diversified Growth fund was effectively re-launched in 2013, the Diversified Income fund was added in June 2017 and three further funds were added in March 2019.

■ The funds' lead manager is Neil Birrell, who joined Premier Miton in 2013 and is also the firm's Chief Investment Officer. He is responsible for the funds' overall asset allocation, portfolio construction and risk management but the underlying investment selection is delegated to asset class specialists within the company. As CIO, Birrell is ideally positioned to utilise this approach.

■ The underlying asset class managers are responsible for selecting the investments within their portfolios. They are either experienced investors in their own right and/or part of a larger, experienced team. Premier Miton has recently increased their fixed income capability with the hire of a new team which has increased the resource available to these funds.

■ The investment process is very robust and well established. It combines strategic and tactical asset allocation with underlying investment selection, utilising the skills of the wider Premier Miton investment team. There is a high degree flexibility within both the asset allocation across the fund range and the underlying asset class portfolios.

■ At the time of writing, the flagship Diversified Growth fund has built a very strong, consistent performance track record under Neil Birrell's management, showing the ability to both benefit from periods of rising equity markets and to dynamically protect/hedge against more severe market downturns. The initial performance of the more recently launched funds has also been very good, increasing our confidence in the ability of the investment process to produce good performance across different risk profiles.

MULTI ASSET INVESTING

The recent environment for the provision of financial advice has delivered a number of changes that have altered the way many advisers operate. The implementation of RDR back in 2012 has been at the heart of this change but other subsequent reviews into the selection of investment solutions and the requirement to understand different types of client risk have all contributed to the current regime. Indeed, we have seen a move by many advisers to outsource investment solutions to multi-asset portfolios, relying on the fund manager to maintain the portfolio rather than the adviser. The rise of targeted investing, with either risk or return targets being used to manage investments, has also been a feature of recent product offerings in the UK and has resulted in a number of new solutions that have strict investment parameters. Overall the market for this type of solution has widened and with the pension freedom regulations adding flexibility to an investor's retirement choices the need for such solutions can only grow further.

Looking at the investment background for multi-asset investing, the last fifteen years have been mixed. Although figures will show that equities have outperformed government bond markets over this period, it has certainly not been straight-forward or predictable with short-term periods such as Q3 2007 to Q1 2009, Q3 2011, Q2 2015 to Q1 2016 and, of course, the last 12-18 months being prime examples of this. This background has made it very difficult for most investors, professional or otherwise, and requires a significant amount of patience and skill to seek out those areas that can offer some return in an ever-rotating economic environment.

Managed investment solutions are one way of helping to take away some of the stress of selecting assets in this environment, allowing the adviser to focus on the many other areas of financial planning whilst the assets are managed on their behalf. It can be argued that these funds are simple solutions to most investment selection and monitoring issues, and they are clearly a popular choice. The challenge is that, whilst it always seems advantageous to have more choice, selecting the right option from an ever-increasing list is increasingly difficult and taking account of the increasing number of complex investment instruments that can be used to form portfolios, the apparently simple solutions become all the more complex.

The changing regulatory environment is also adding to the difficulty in building an appropriate solution that takes a client from risk assessment through to investment solution. The advisory market has an equally expanding range of choices to take an investor through this process and guidance is needed to bring all the elements together to form an acceptable solution.

To try and simplify the choices but provide enough options to cover most investors' requirements is a difficult task. This review looks in detail at the Premier Miton Diversified fund range, which we believe can go a long way to helping overcome many of these issues and difficulties.



PREMIER MITON INVESTORS

Premier Miton Group plc was formed in November 2019 from the merger of Premier Asset Management Group plc and Miton Group plc. The merger brought together the capabilities and knowledge of two highly regarded companies to create a new investment firm, which currently has 17 investment teams covering a range of asset classes and products with a focus on active management. As at 30th June 2021 the Group had approximately £13.6 billion* of assets under management.

*Source: Premier Miton Investors

FUND RANGE CONCEPT & OVERVIEW

The Premier Miton Diversified fund range consists of five actively managed, multi-asset, directly invested funds all managed to the same asset allocation and investment process but offering investors a choice of different risk profiles, including one income-focused fund.

FUND NAME	IA SECTOR	LAUNCH DATE	FUND SIZE (31st May 2021)
Diversified Cautious Growth	Mixed Investment 20-60% Shares	1st March 2019	£37.8m
Diversified Balanced Growth	Mixed Investment 40-85% Shares	1st March 2019	£37.2m
Diversified Growth	Mixed Investment 40-85% Shares	21st December 2010	£293.1m
Diversified Dynamic Growth	Flexible Investment	1st March 2019	£41.9m
Diversified Income	Mixed Investment 20-60% Shares	19th June 2017	£35.5m

The Premier Diversified Growth fund was effectively re-launched on 18th March 2013 following a name change from Premier Alternative Strategies, at which time there was also a change to the investment objective and investment policy.

The Funds

Four of the funds are designed to produce long term total returns made up of capital growth and income and are managed with different risk profiles in mind. The fifth fund, the Diversified Income fund is designed to produce a dividend income whilst still offering the potential of long term capital growth. The specific investment objective of each fund is highlighted below.

Fund Name	Description	Comparator Benchmarks
Diversified Cautious Growth	The objective of the fund is to provide total returns comprised of capital growth and income over the long-term. The fund will invest globally in a diversified portfolio of investments across different asset classes. These will include bonds, company shares, property company shares, alternative investments, cash and cash deposits.	IA Mixed Investment 20-60% Shares sector
Diversified Balanced Growth	The objective of the fund is to provide total returns comprised of capital growth and income over the long term. The fund will invest globally in a diversified portfolio of investments across different asset classes. These will include bonds, company shares, property company shares, alternative investments, cash and cash deposits.	IA Mixed Investment 40-85% Shares sector
Diversified Growth	The objective of the fund is to provide total returns comprised of capital growth and income over the long term. The fund will invest globally in a diversified portfolio of investments across different asset classes. These will include bonds, company shares, property company shares, alternative investments, cash and cash deposits.	IA Mixed Investment 40-85% Shares sector
Diversified Dynamic Growth	The objective of the Fund is to provide total returns comprised of capital growth and income over the long term. The Fund will invest globally in a diversified portfolio of investments across different asset classes. These will include bonds, company shares, property company shares, alternative investments, cash and cash deposits	IA Flexible Investment sector
Diversified Income	The objective of the Fund is to provide an income together with capital growth over the long term. Income is paid quarterly as dividend distributions. The Fund will invest globally in a diversified portfolio of investments across different asset classes. These will include bonds, company shares, property company shares, alternative investments, cash and cash deposits.	IA Mixed Investment 20-60% Shares

Charges

The charges are very competitive for an actively managed strategy. The OCF for the funds as at 31st May 2021 is shown below (Source: Premier Miton Investors).

Name	OCF
Diversified Cautious Growth	1.10%
Diversified Balanced Growth	1.06%
Diversified Growth	0.85%
Diversified Dynamic Growth	0.75%
Diversified Income	0.89%

FUND MANAGERS

The funds' lead manager is Neil Birrell who took over in March 2013 at the same time as the change to the investment objective and investment policy of the Diversified Growth fund.

Neil Birrell, Fund Manager and Chief Investment Officer

Neil Birrell is Chief Investment Officer for Premier Miton and is fund manager of the Premier Miton Diversified fund range. He joined Premier Miton in January 2013 from Elcot Capital, where he was part of the team responsible for managing multi strategy investments. Neil was previously Chief Investment Officer of Framlington Investment Management.

Although Birrell is the named fund manager, the investment process means that other members of Premier's investment team are an important part of the investment strategy.

Chun Lee, Fund Manager, Fixed Income

Chun Lee joined Premier Miton in October 2016. Prior to joining Premier Miton, he was co-manager of the Waverton Sterling and Global Bond funds at Waverton Investment Management. Chun graduated with a BA in Economics from Coventry University and has an MA in Finance and Investment from the University of Exeter.

Jon Hudson, Fund Manager, UK Equities

Jon Hudson joined Premier Miton in October 2007 and has worked as an investment manager and analyst in the UK equity team since 2013. Jon is a CFA charterholder and has a BA (Hons) in Economics and Management from the University of Leeds. Jon is a Fund Manager for the Premier Miton UK Growth Fund and the Premier Miton Ethical Fund.

Benji Dawes, Fund Manager, UK Equities

Benji Dawes joined Premier Miton in September 2014 and is a UK equity fund manager. He was previously assistant fund manager and UK equity investment analyst at City Financial. He is a CFA charterholder. Benji is a fund manager for the Premier Miton UK Growth Fund and the Premier Miton Ethical Fund.

Tom Globe, Fund Manager, Global Equities

Tom Globe joined Premier Miton in September 2011. Since then he has worked on the global equity team undertaking quantitative and qualitative research. He is responsible for running and maintaining the proprietary quantitative equity screen used as the base of the global equity investment process for the Diversified funds and the global sustainable themed funds. Tom is the fund manager of the global equity portfolios within the Premier Miton Diversified fund range. He is a CFA Charterholder.

Luke Smith, Investment Analyst, Global Equities

Luke Smith joined Premier Miton in February 2017 and has worked as Investment Assistant to the CIO fulfilling a range of projects for the investment teams. More recently he has undertaken an Investment Analyst role on the global equity team. Luke has a degree in Economics and has passed all three levels of the CFA Program. Luke also holds the CFA certificate of ESG Investing.

Kirsty Riddle, Fund Manager, Property Companies

Kirsty joined Premier Miton in October 2015 as a Risk and Performance Analyst before moving to the Pan-European property share investment team. Prior to this, Kirsty trained as an assistant fund manager at Garraway Capital. Kirsty has a 1st class degree in Maths, the IMC Qualification and is a CFA Charterholder.

Robin Willis, Fund Manager, Alternatives

Robin Willis joined Premier Miton in June 2015. He co-manages the Premier Miton Defensive Growth fund and is part of the investment team managing the Premier Miton Diversified funds. Robin is an investment company specialist and has been part of the Premier Defensive Growth fund investment team since he joined Premier Miton. Previously he was a fund manager and investment companies analyst at Cayenne Asset Management and an investment accountant at Fortis Prime Fund Solutions. Robin graduated with a B.Comm in Commerce from University College Dublin. Robin is a CFA Charterholder.

Daniel Hughes, Fund Manager, Alternatives & portfolio hedges

Daniel Hughes joined Premier Miton in July 2015. He co-manages the Premier Miton Defensive Growth fund and is part of the investment team managing the Premier Miton Diversified funds. Daniel is a structured investment and derivatives specialist. He has been part of the Premier Miton Defensive Growth fund investment team since he joined Premier Miton. Before Premier Miton, he was a structured product and equity derivatives specialist at Royal Bank of Scotland. Daniel graduated with a BSc (Hons) in International Business from Warwick University.

INVESTMENT PROCESS

Overview

The investment team assesses the macro and economic environment together with the absolute and relative attractiveness of asset classes. This is combined with their potential risk profile and relative risk-adjusted returns to determine the funds' asset allocations. As Chief Investment Officer, Neil Birrell coordinates the team discussion on asset allocation and then, as lead fund manager, he allocates assets between fixed income, equities, property and alternatives with specialist teams then selecting the underlying investments. Birrell has overall responsibility for the investment decisions, portfolio construction and risk management.

Strategic Asset Allocation

Neil Birrell had sole responsibility for making the Diversified Growth fund's asset allocation calls up to April 2016 when the current format was implemented, which followed the addition of fund managers and analysts in 2014 and 2015. Asset allocation meetings generally take place once a week and involve the whole investment team who will assess the economic and macro environment along with the absolute and relative attractiveness of different asset classes. The meeting is chaired by Birrell and, although it is a team based approach, he has the final say on decisions plus responsibility for the overall risk of the funds. Once the asset allocations decisions are made the manager(s) responsible for the underlying asset classes select and implement the investments using their own investment processes.

Tactical Asset Allocation

The asset allocation is active and the fund manager has a lot of flexibility but there are formal asset allocation limits, as follows:

Diversified Cautious Growth		
Asset Class	Minimum	Maximum
Fixed Income	25%	60%
Equities	30%	60%
Property	0%	20%
Alternatives	5%	25%
Cash	0%	10%

Diversified Balanced Growth		
Asset Class	Minimum	Maximum
Fixed Income	5%	30%
Equities	40%	70%
Property	0%	20%
Alternatives	10%	35%
Cash	0%	10%

Diversified Growth		
Asset Class	Minimum	Maximum
Fixed Income	0%	30%
Equities	45%	75%
Property	0%	20%
Alternatives	10%	30%
Cash	0%	10%

Diversified Dynamic Growth		
Asset Class	Minimum	Maximum
Fixed Income	0%	15%
Equities	70%	95%
Property	0%	20%
Alternatives	5%	30%
Cash	0%	10%

Diversified Income		
Asset Class	Minimum	Maximum
Fixed Income	25%	60%
Equities	30%	60%
Property	0%	20%
Alternatives	5%	25%
Cash	0%	10%

There is no Premier Miton house view, so the underlying asset class managers have flexibility with their portfolio positioning.

Investment Selection

The underlying fund managers are responsible for investment selection within their respective asset classes, and they have a lot of flexibility in their decision making. The equity exposure is global and diversified by sector and market capitalisation, although the UK typically makes up a significant portion. Global (excluding UK) stocks are selected using a proprietary quants screen looking for quality, value and growth characteristics within developed and emerging

markets, concentrating on the largest 5,000 global companies. This is complemented by qualitative analysis. There was a change to the Diversified Growth fund's global (non-UK) equity position from early April 2016 to bring greater alignment with the Global Alpha Growth fund, which caused a large amount of turnover and a large increase in the number of holdings for this part of the portfolio. The Global Alpha fund has subsequently changed to a sustainable investment mandate, but the Diversified funds have not adopted the same change with Neil Birrell choosing to maintain the existing process.

Jon Hudson and Benji Dawes are responsible for the UK equity part of the portfolio, looking to provide a complement to the global equity component. UK stock selection also uses a valuation screen combined with qualitative assessment.

The fixed income element may consist of government bonds, corporate bonds and specialist bonds along with alternative fixed income holdings. Chun Lee, who is part of the enlarged credit team, retains the responsibility for bond selection in the Diversified funds. Robin Willis is responsible for the alternative fixed income exposure, such as specialist lending, and the two work together on the overall portfolio.

The property exposure is REITs and listed UK and European property companies, which, typically, will already be held within the Premier Miton Pan European Property fund. This was implemented in 2016, as prior to this investment had been into the fund itself.

The alternatives allocation may include hedge funds, commodities (indirect), infrastructure and defensive strategies, all of which are intended to have relatively low correlation to equities. An assessment of the asset class itself together with an assessment of the manager and the price to NAV (Investment Trusts) are key elements. Again, Birrell was previously responsible for this part of the portfolio but this was taken on by Robin Willis following his arrival at Premier Miton.

Portfolio hedges, typically through derivatives, are applied across the range of funds to provide downside protection and dampen volatility.

RISK MANAGEMENT

In addition to the asset class parameters mentioned earlier, there are limits on individual positions. Individual equity, corporate bond and property holdings are limited to a maximum of 2½%, individual government bonds are limited to 5%, individual closed ended funds are limited to a maximum of 8% and any individual Premier Miton fund held is limited to 5%. The total number of holdings is expected to be between 80 and 185.

The internal Risk team monitors a number of fund metrics, including liquidity, and reports to the internal Funds Risk Committee. Risk analysis includes VaR and stress testing, and derivatives pricing are conducted daily internally.

Each investment desk is responsible for their own liquidity analysis for their asset class.

Responsible Investing/ESG Analysis

Premier Miton define responsible investing as an approach that includes the consideration of Environmental, Social and Governance (ESG) factors alongside financial factors, supported by stewardship activities such as voting and engaging with the management of companies in which they invest, or are considering investing in. They take an active approach to voting on company resolutions at Annual General Meetings and other shareholder meetings.

They consider ESG factors in the investment processes across different investment strategies. By considering ESG factors alongside financial factors they are looking at all available information on whether a company is suitable for inclusion. They believe that assessing a company's approach to ESG related risks gives additional information on the investment opportunity. This is undertaken throughout the investment process including in company research and analysis, portfolio monitoring and buying and selling decisions. They believe that combining financial analysis with ESG analysis leads to improved decision making and therefore better outcomes for investors. They use a variety of ESG information sources including company reporting, meetings with management and boards as well as independent specialist ESG research and data. The Head of Responsible Investing and the Chief Investment Officer have oversight of the inclusion of ESG factors in the investment decision making process. Their experience is that governance is often the most important of the three factors with an experienced

chairperson and suitably composed board of directors critical to facilitate a company's delivery of good long term financial performance. Management expertise and appropriately aligned remuneration are also important to implement the company's strategy and to manage risks. The management of environmental risks, especially climate related financial risk, is increasingly important particularly in high climate risk industrial sectors such as oil & gas and utilities. A company's approach to social risks such as diversity and labour practices are increasingly viewed as an indicator of competent management.

Premier Miton excludes companies that are involved in banned weapons across all their funds and utilise third party data to maintain a list of such companies. Whilst they don't actively exclude any other companies or sectors for ESG reasons, for most of the funds and investment trusts that they manage, exposure to so called 'controversial companies' is often low. These companies are those that have been involved in ESG related incidents that may result in negative impacts for stakeholders and the environment and include areas such as human rights violations and environmental pollution.

Premier Miton uses company specific ESG research and data, where it exists, to consider ESG related risks and opportunities in their investment process. Additionally, they use ESG data as a portfolio monitoring tool. As an active investor, they prefer detailed ESG company research focussed on evaluation of the ESG risks and opportunities rather than a single, combined ESG score. Larger sized companies usually have better ESG policies and disclosure, making ESG research more easily available. For smaller companies, the policies and disclosures may be less robust. This sometimes leads to lower ESG scores, although that does not automatically reflect higher ESG risk or poor ESG risk management compared to larger companies in the same industry. They subscribe to a number of independent providers of ESG data and research including Ethical Screening, ISS Governance quality score and climate solutions, ISS proxy voting research, CDP global environmental disclosure system and Bloomberg as well as accessing publicly available ESG company scores including MSCI and Sustainalytics. They regularly interact with these providers on a range of topics, including methodology and discussions on the differences between their ESG analysis. Additionally, external providers of non-ESG specific research are increasingly incorporating ESG commentary and data within company research.

PERFORMANCE AND HISTORICAL ASSET ALLOCATIONS

(Data source: Premier Miton Investors, all figures to the end of May 2021, unless stated otherwise)

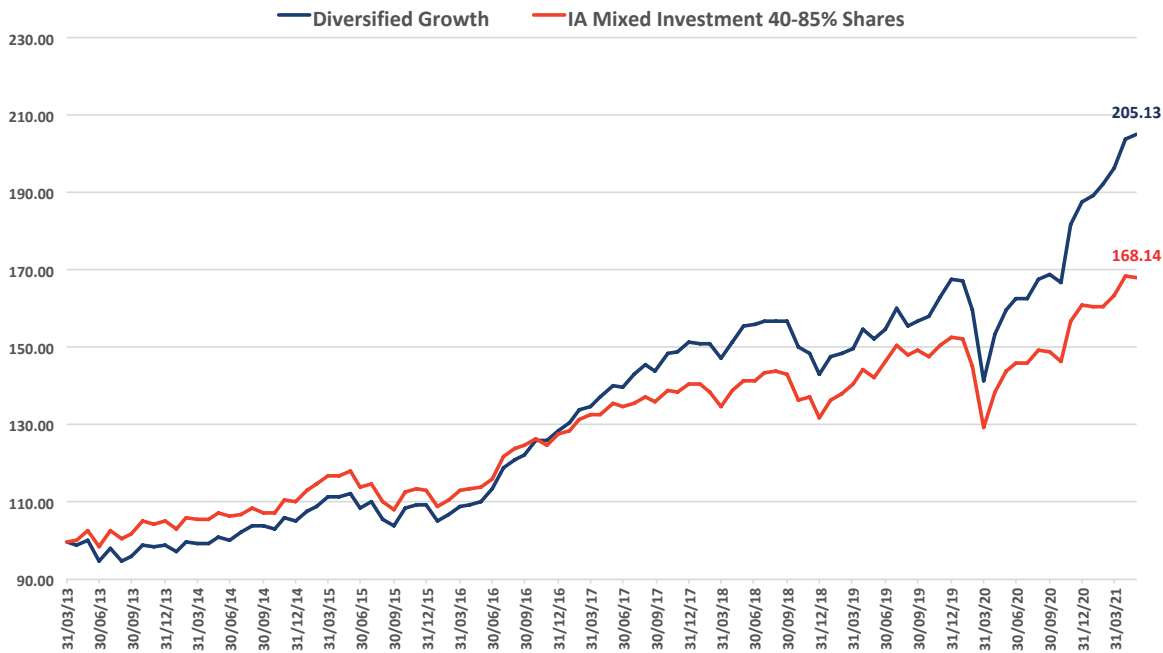
	31/05/2020 – 31/05/21	31/05/2019 – 31/05/20	31/05/2018 – 31/05/19	31/05/2017 – 31/05/18	31/05/2016 – 31/05/17	31/05/2015 – 31/05/16	31/05/2014 – 31/05/15	31/05/2013 – 31/05/14
Premier Miton Diversified Cautious Growth	19.23	1.66	N/A	N/A	N/A	N/A	N/A	N/A
Premier Miton Diversified Balanced Growth	21.52	2.65	N/A	N/A	N/A	N/A	N/A	N/A
Premier Miton Diversified Growth	28.25	5.01	-2.06	10.89	27.18	-1.88	11.13	1.11
Premier Miton Diversified Dynamic Growth	31.66	7.52	N/A	N/A	N/A	N/A	N/A	N/A
Premier Miton Diversified Income	20.87	1.34	0.91	N/A	N/A	N/A	N/A	N/A

Diversified Growth

The following charts show performance versus its IA sector average and historical asset allocation for the Diversified Growth fund from March 2013 to cover the period from when Neil Birrell took over the fund's management.

Performance

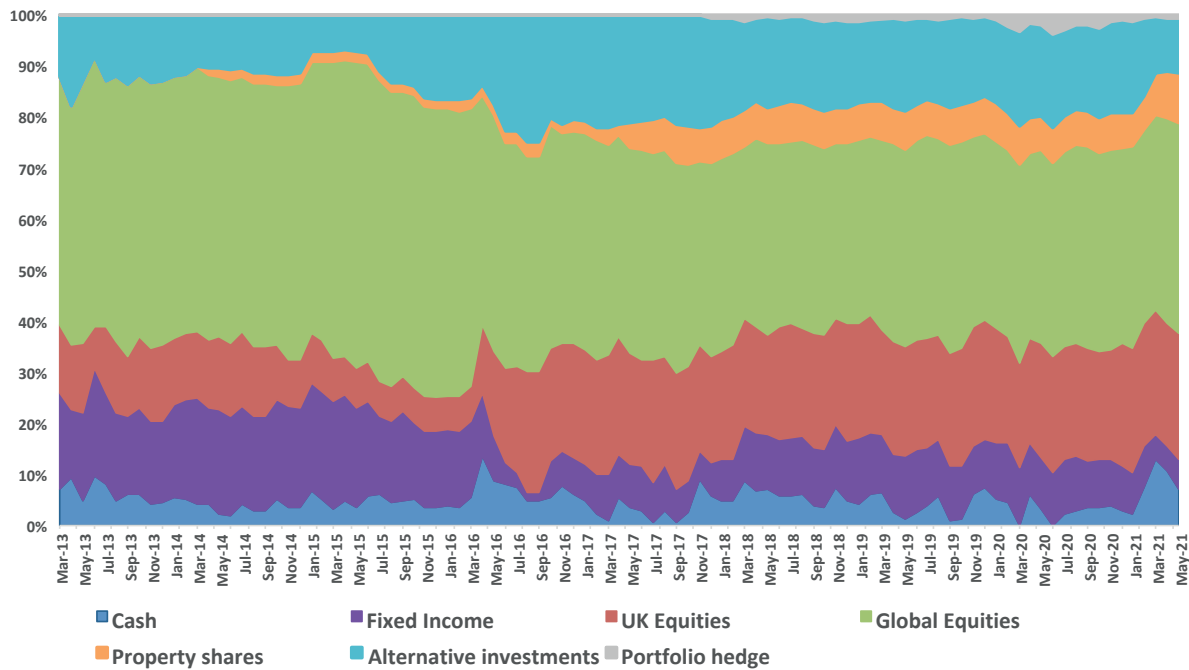
Performance has been very strong overall and if we look at the individual calendar years from 2014 to 2020 the fund outperformed the sector average every year with particularly good outperformance in 2016, 2017 and 2020 and it has also performed strongly year to date.



Historical Asset Allocation

The fund has held over 55% in equities (excluding property shares) for the vast majority of this period and this has recently risen to over 65%, a level not seen since October 2016. As can be seen from the asset allocation chart, UK equities has typically been a reasonable proportion of the overall equity exposure, although the level did fall below 10% in late 2014 until Q2 2016 before rising above 20% in Q3 and it has stayed above 20% for most of the period since. Global equity exposure has typically contained 50% or more in US equities. Fixed income exposure has moved in an opposite pattern, sitting above 15% for most of the period up to Q2 2016 when it dropped significantly to a very small weighting in Q3. The weighting only climbed to

above 10% again at the end of Q1 2018 but then fell below 10% again in Q3 2020 and currently sits just above 5%. For this fund, alternative fixed income has been the main exposure with small allocations to convertibles and there has been no conventional sovereign bond or corporate bond exposure since Birrell took over in 2013. Alternatives exposure has been above 10% for the vast majority of the period and has reached as high as 25% in Q3 2016. The weighting sat above 15% for most of the subsequent period until very recently when it has dropped to close to 10%. Cash has been used as an asset allocation tool and in March this year it was at the highest level since April 2016 before dropping to around 7%.

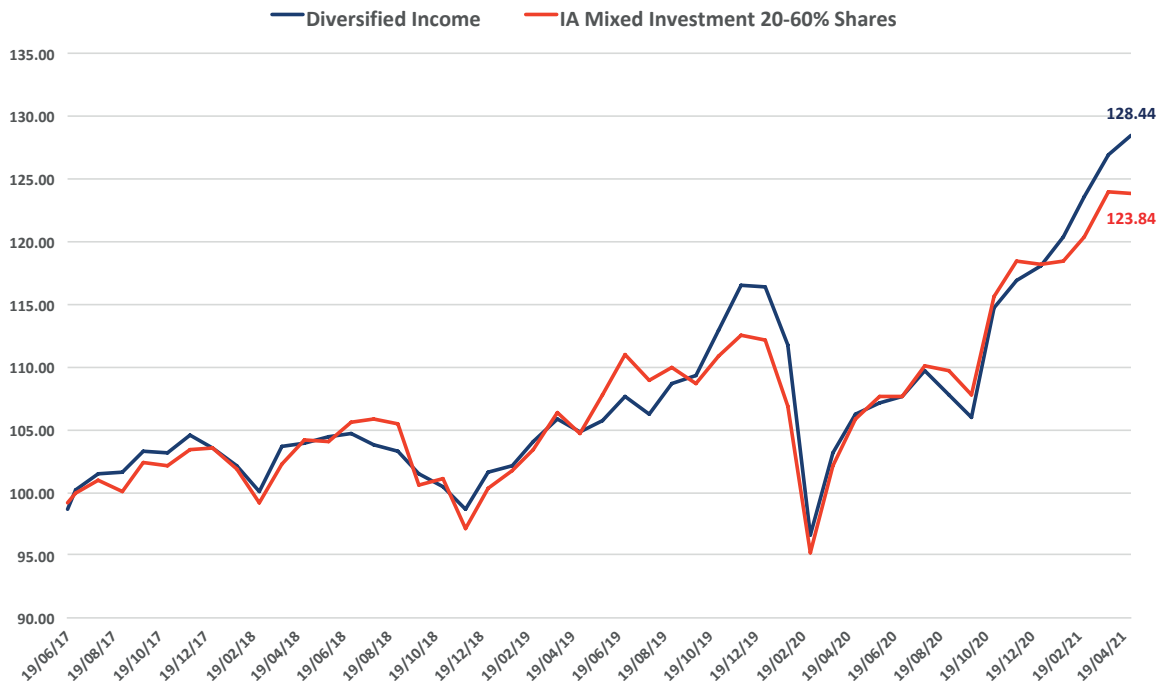


Diversified Income

The following charts show performance versus their respective IA sector averages and historical asset allocations from their launch in March 2019.

Performance

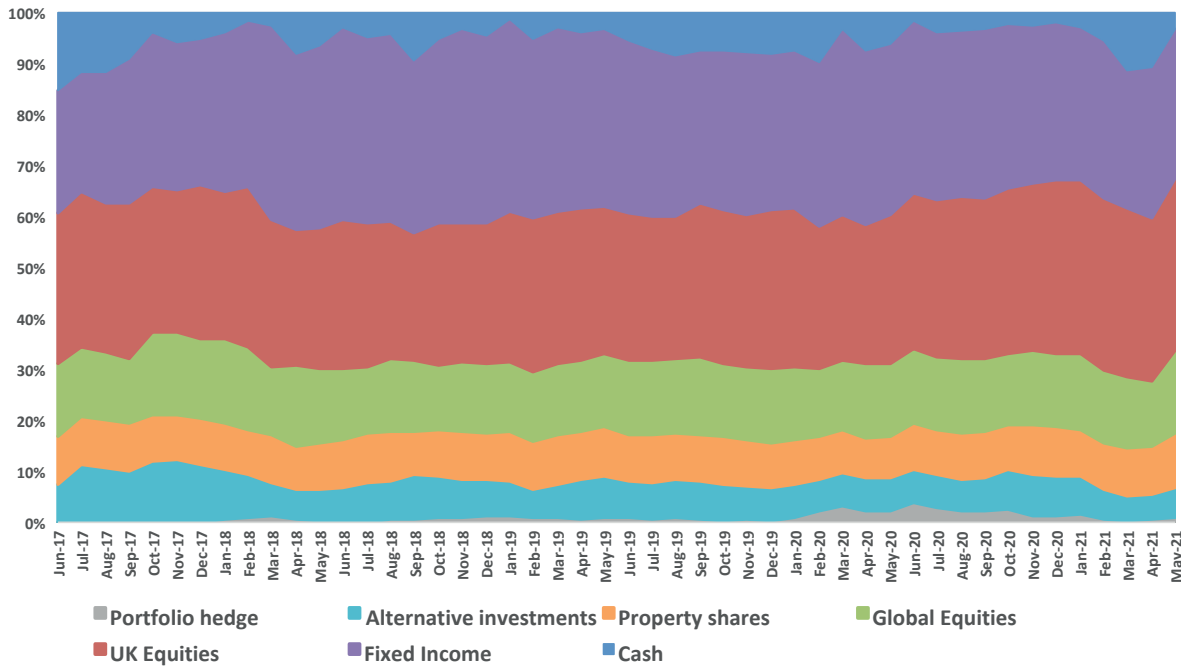
Performance has been good overall, despite the general underperformance of income-orientated assets during the majority of this period, which was particularly noticeable in the first half of 2020. The fund performed particularly well in 2019 and has also performed strongly year to date.



Historical Asset Allocation

The fund has held over 40% in equities (excluding property shares) since launch but only very recently has the exposure reached 50%. If you include property shares, this places the fund at the top end of its IA sector range. As can be seen from the asset allocation chart, UK equities has been a consistently high proportion of the overall equity exposure, as it has been one of the highest dividend-paying markets, particularly amongst its developed world counterparts. Fixed income has typically been above 30%, but this has dropped very recently to just below 30%. Corporate bonds have been a consistent factor within this allocation but there have been times when the alternative fixed income allocation has been relatively significant. Alternatives

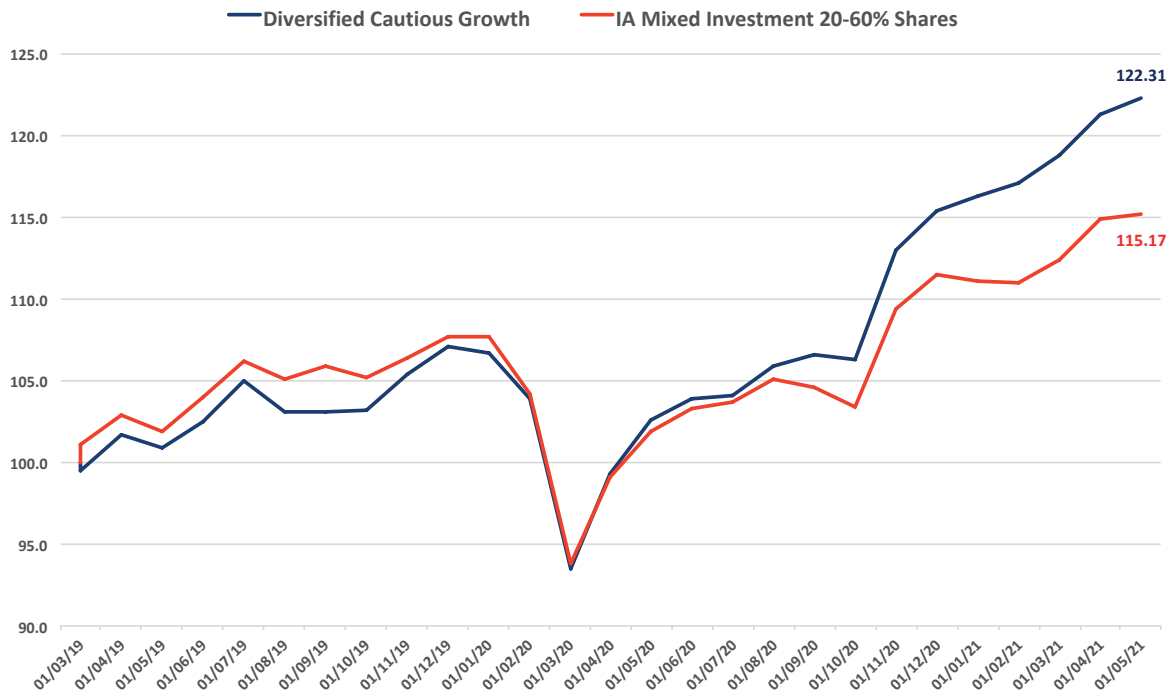
exposure has typically been below 10%, which is not unexpected given the number of income options available, and cash has also been relatively low, again, not unsurprising given the very low interest rates currently on offer.



Diversified Cautious Growth, Balanced Growth and Dynamic Growth

The following charts show performance versus their respective IA sector averages and historical asset allocations from their launch in March 2019.

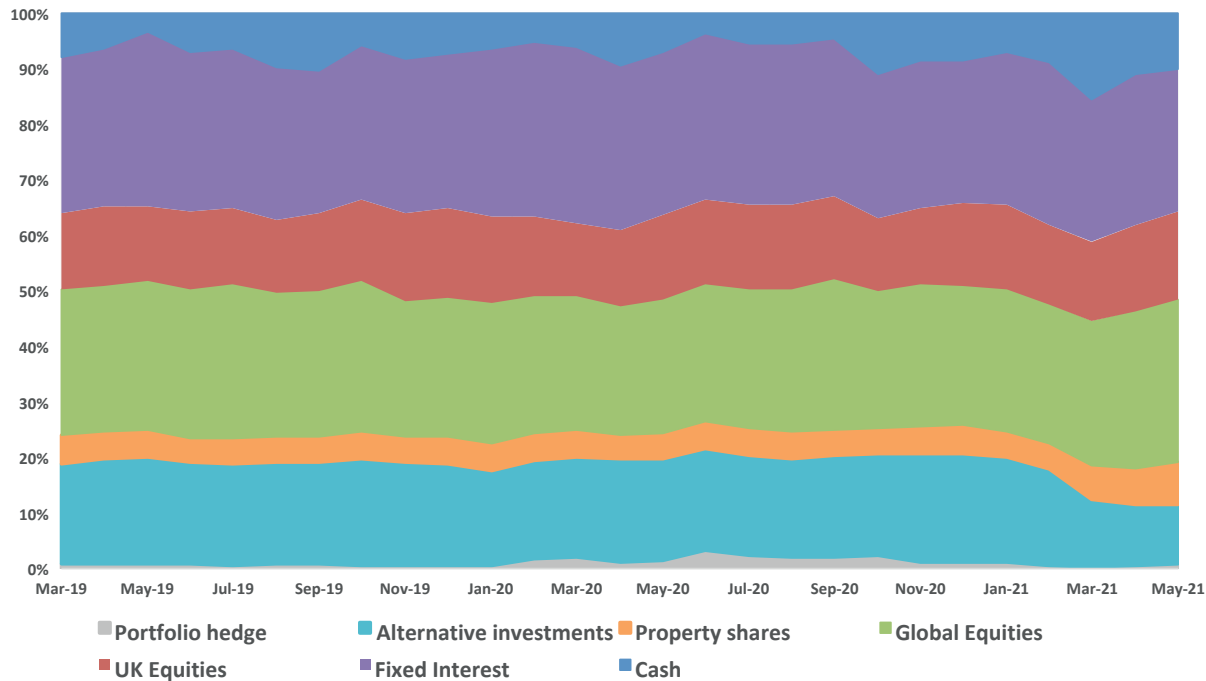
Performance - Diversified Cautious Growth



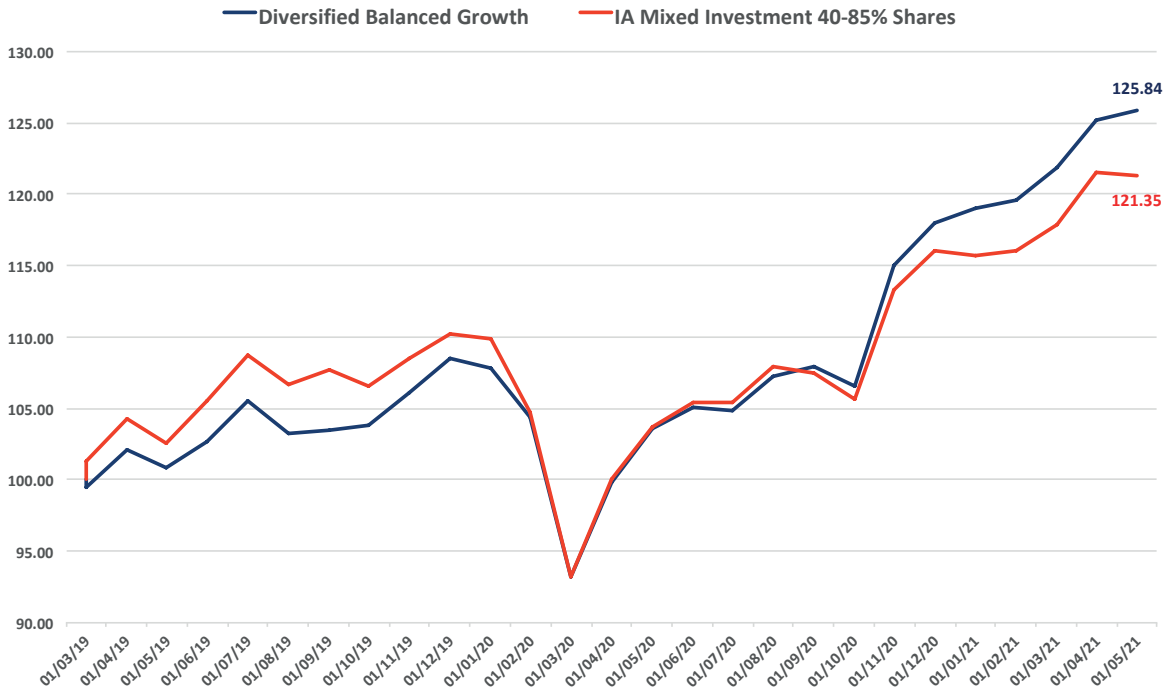
Historical Asset Allocation - Diversified Cautious Growth

The fund has held over 40% in equities (excluding property shares) for the majority of the period since launch but only very recently the exposure has reached 45%. As can be seen from the asset allocation chart, UK equities has been a reasonable proportion of the overall equity exposure but much lower than the Diversified Income fund, which sits in the same IA sector. Global equity exposure has typically contained 50% or more in US equities. Fixed income has typically been between 25% and 30% and this has dropped very recently towards the bottom of this range. Corporate bonds have been a consistent factor within this allocation but there have been times when the alternative fixed income allocation has been relatively significant. Alternatives

exposure has typically been around 18% to 20%, but this had dropped to 10% very recently. Cash has been used as more of an asset allocation tool in this fund than in Diversified Income and has recently been increased to around 10%.



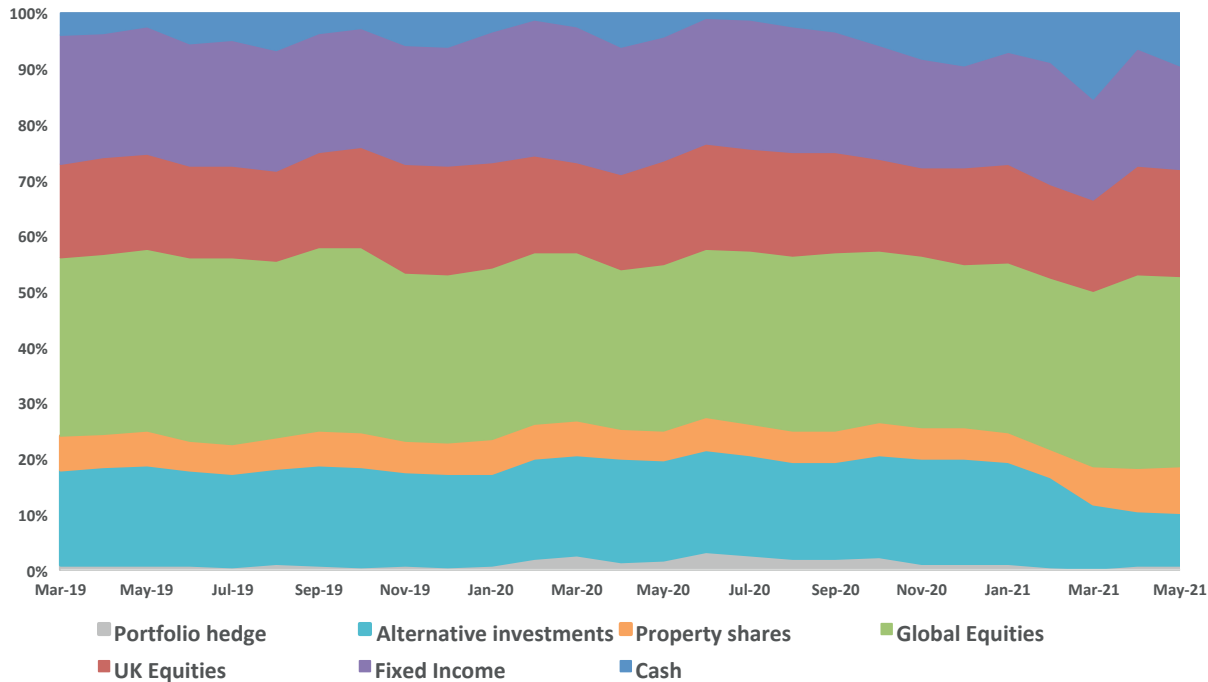
Performance – Diversified Balanced Growth



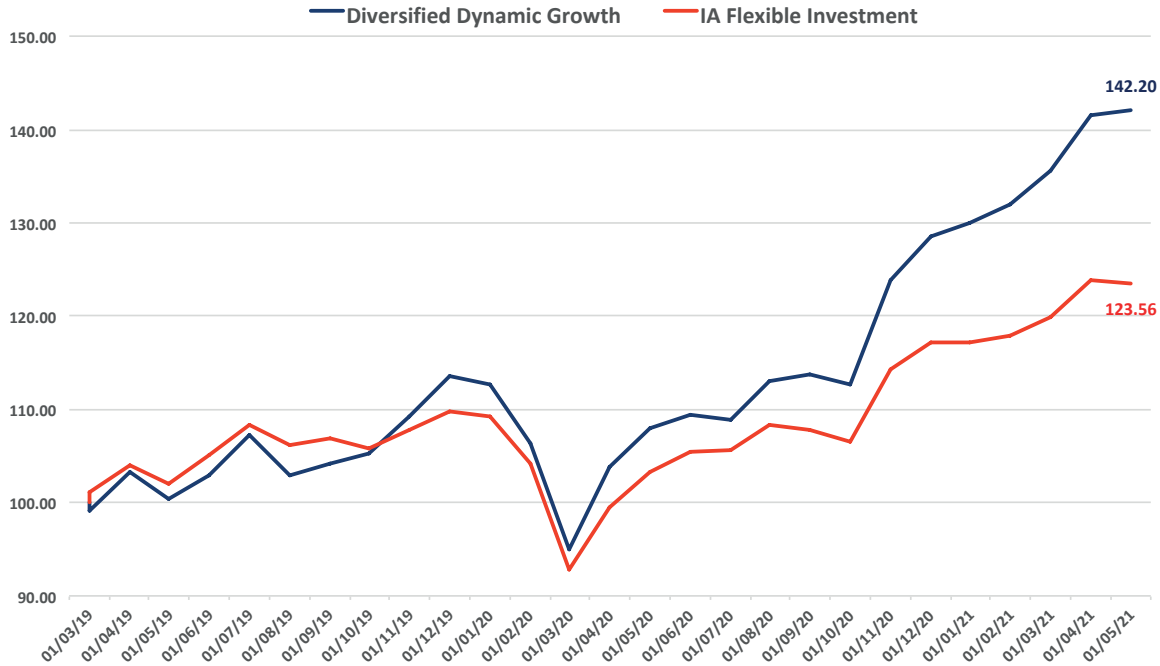
Historical Asset Allocation – Diversified Balanced Growth

The fund has typically held between 45% and 50% in equities (excluding property shares) for the majority of the period since launch but only very recently the exposure has reached close to 55%. As can be seen from the asset allocation chart, UK equities has been a reasonable proportion of the overall equity exposure but much lower than global equities, which in turn has typically contained 50% or more in US equities. Fixed income has typically been between 20% and 25% but this has dropped below 20% very recently. Corporate bonds have been a consistent factor within this allocation but there have been times when the alternative fixed income allocation has been relatively significant. Alternatives exposure has typically been around 16% to

19%, but this had dropped to below 10% very recently. Cash has been used as an asset allocation tool and has recently been increased to just below 10%.



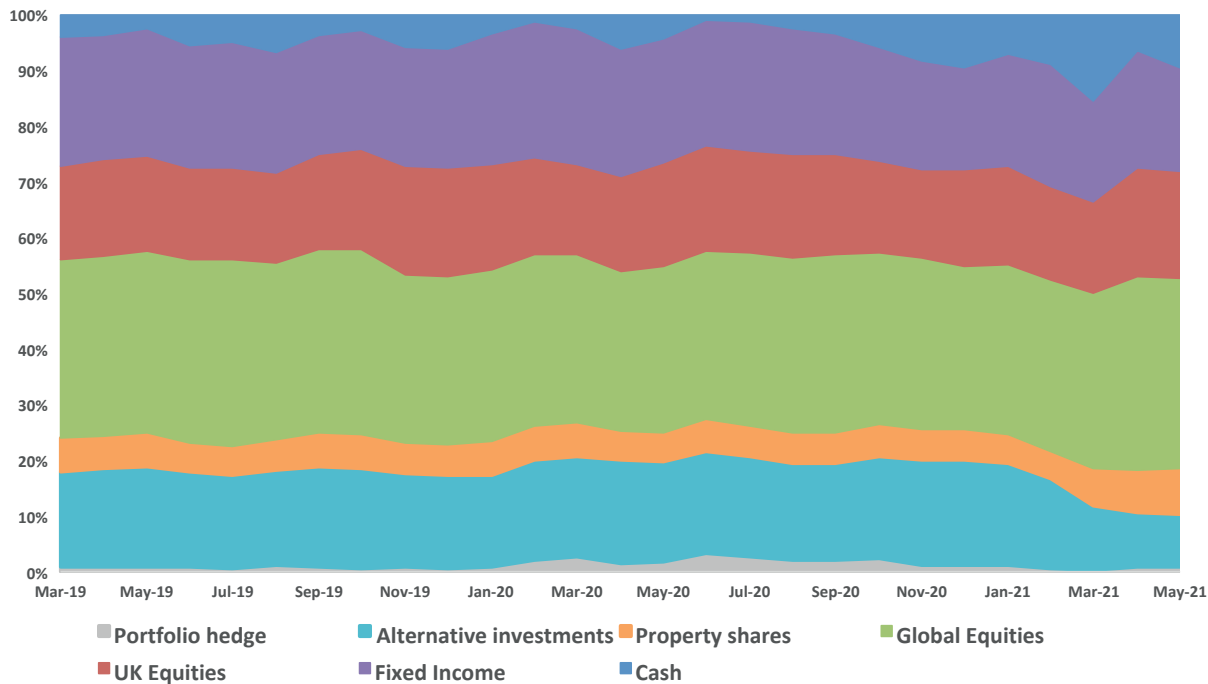
Performance – Diversified Dynamic Growth



Performance has been good overall, with the Dynamic Growth fund performing particularly well, and all three funds have performed well year to date.

Historical Asset Allocation – Diversified Dynamic Growth

The fund has typically held between 78% and 85% in equities (excluding property shares) for the majority of the period since launch and only very recently the exposure has just crept above 85%. As can be seen from the asset allocation chart, UK equities has been a reasonable proportion of the overall equity exposure but much lower than global equities, which in turn has typically contained 50% or more in US equities. There has been no fixed income since the fund's launch with diversification coming from the alternatives exposure, which has typically been between 7% and 10%, and cash, although this has generally been below 5%.



ASSET ALLOCATION/ECONOMIC & ASSET CLASS VIEWS

2020

At the start of 2020 equity and fixed income markets were providing different signals and the portfolios were neutrally positioned, which equated to equity exposure of around 60% in the flagship Diversified Growth fund, split around two-thirds in global equities and one-third UK equities. Across the range, the fixed income exposure contained a mix of corporate bonds, government bonds and alternative fixed income, property exposure was low and the funds held a number of alternative positions for diversification and lower correlation to equities.

As markets started to be affected by the impact of the global pandemic, the funds' hedge fund positions and S&P put options (covering around 40-45% of the equity exposure) worked well. The increase in asset class correlations impacted the listed alternative fixed income holdings. The manager made very few asset allocation decisions during this time, preferring to trade within equities and adjusting portfolio hedges with some put options moving 'into the money', so they bought further put options.

The US job loss figures in April 2020 were equal to the total gains in jobs from 2010 to 2020, which was seen as very negative and was part of the reason equities were sold to raise cash. The manager then bought back into markets through the April/May equity market rallies. Through the summer months they were negative on the economic outlook and on equity indices and this turned out to be too negative, so they missed out on some of the market beta, but the underlying equity managers performed well, particularly in the UK, through strong stock selection. Some of the funds' more unconventional individual positions performed well, including a call option on the equally weighted S&P index versus the market cap weighted index and a small position in a US yield curve steepener. These were effectively positions to cover against being wrong on the economic outlook and inflation concerns.

Later in the year, on the Brexit resolution, the manager moved around 2-3% from global equities into UK equities. The alternative fixed income positions had started to perform much better, as there was improved underlying trading and discounts narrowed. These positions were reduced early in 2021.

Current Positioning (May 2021)

The following table summarises the asset allocation for each of the five funds as at 31st May 2021.

	Diversified Cautious Growth	Diversified Balanced Growth	Diversified Growth	Diversified Dynamic Growth	Diversified Income
Cash	10.17%	9.45%	7.16%	0.58%	3.21%
Fixed Interest					
Sovereign bonds	1.37%	0.99%	0.00%	0.00%	2.23%
Corporate bonds	17.14%	12.84%	0.00%	0.00%	19.32%
Convertibles	0.00%	0.00%	0.30%	0.00%	1.15%
Alternative fixed income	6.99%	4.78%	5.38%	0.00%	6.72%
ZDPs	0.00%	0.00%	0.00%	0.00%	0.00%
UK Equities	15.90%	19.14%	24.76%	31.24%	33.49%
Global Equities					
North American equities	16.58%	19.64%	23.12%	29.97%	5.38%
Europe ex UK equities	4.91%	5.78%	6.97%	8.92%	4.28%
Japan equities	2.14%	2.47%	2.89%	3.99%	1.67%
Asia Pacific ex Japan equities	2.64%	3.13%	3.73%	4.88%	2.51%
Emerging markets equities	2.56%	2.99%	3.63%	4.96%	2.65%
Global equities	0.39%	0.38%	0.76%	1.28%	0.00%
Property shares					
UK property shares	1.71%	1.83%	2.56%	1.77%	5.07%
International property shares	5.89%	6.41%	7.32%	4.23%	5.60%
Alternative investments					
Listed private equity	0.00%	0.00%	0.00%	0.00%	0.00%
Hedge Funds	3.78%	3.14%	3.68%	1.59%	0.00%
Other alternatives	6.95%	6.16%	6.87%	5.70%	5.83%
Portfolio hedge	0.87%	0.87%	0.87%	0.89%	0.90%

(Source, Premier Miton Investors, end May 2021)

The manager is not a believer in a large reflationary rally and expects inflation to be transitory. Economic growth is strong, although the expectations for 2023 onwards remain relatively muted, but unemployment numbers are still high.

Equities remain the favoured asset class. The manager is nervous about market levels but the underlying managers continue to find good opportunities. Equity exposure has been increased from 60% to around 65% within Diversified Growth. Their belief remains that the strong will get stronger, citing examples such as JD Sports, ASOS, Boohoo (raised capital to buy distressed assets), Restaurant Group and JD Wetherspoon. Other companies are raising capital across different sectors. Some trends continue to accelerate (e.g. data centres, AI, autonomous vehicles) and companies such as Nvidia are taking advantage. At the same time as the equity increase, the level of protection has also been increased, including some alternative positions (e.g. long S&P volatility, long Nasdaq volatility).

There has been little change to the underlying global equity regions, as many of the strongest companies continue to be in the US. Technology remains a prominent sector but they also own US banks and they have recently added Visa and Mastercard.

Cash levels have been increased to relatively high levels in the lower risk funds and some of the alternatives fixed income holdings have been sold. Around half of the fixed income exposure has been sold within the Diversified Growth fund and the exposure they have maintained is typically short duration and high quality. The alternatives exposure has also been reduced by a reasonably significant amount, falling to around 10% within Diversified Growth. They have increased property again recently, having added to the asset class in January and February, with total exposure now around 10% within Diversified Growth. Higher inflation, strong economic growth and increasing yields are all considered to be positives for this asset class.

The funds continue to have a number of alternatives holdings, including the likes of the BH Macro hedge funds, the Boussard & Gavaudin and Hipgnosis investment trusts, infrastructure, solar and energy storage.

SUMMARY & EVALUATION

The Premier Miton Diversified fund range is a recent addition to the RSMR stable of rated fund ranges, which followed a number of in-depth meetings. The range comprises five funds, four of which are targeted towards capital growth across different risk profiles, whilst the Diversified Income fund, as the name suggests, has a specific income focus.

They are all managed using the same robust investment process, which has been overseen and refined since 2013 by Neil Birrell following his appointment at Premier Miton. He has made some changes to the process over the intervening period, but these have been evolutionary rather than revolutionary and have taken into account the increase in internal resources during this time. The most recent example of this is the hiring of a new fixed income team to bolster the capabilities in a key investment area. Birrell's role as Chief Investment Officer puts him in the unique position of being able to have full oversight of Premier Miton's investment teams, understanding the strengths and weaknesses of the various fund managers and analysts, to build an appropriate support structure that encourages input from the wider team.

The flagship Diversified Growth fund has produced a strong, consistent performance track record since Birrell took over. He has used the fund's flexibility to respond quickly to changing market conditions, taking advantage of generally rising equity markets during the first few years of his stewardship whilst always being conscious of the impact of being wrong, using natural asset class diversification (there is a great deal of flexibility in what can be allocated to in their alternatives exposure, for example) plus building and adjusting portfolio hedges to protect on the downside. These became particularly useful in 2020 and, although they failed to fully protect the funds from the large falls in risk assets, they did lessen the impact.

The remaining funds in the range have shorter performance records but they have also benefited from the flexible investment process to produce some strong numbers overall. Performance during 2021 to date has been particularly good.

Overall, we believe the Premier Miton Diversified fund range is a strong choice for investors seeking a genuine multi asset proposition that has the capability to generate very competitive risk adjusted returns over differing market cycles within a cost competitive structure.

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