

PREMIER MITON EUROPEAN OPPORTUNITIES FUND - GBP

INVESTMENT RESEARCH NOTE
MARCH 2024

Risk warning: The past is not necessarily a guide to future performance. The value of your investment and the income from it can fall as well as rise and is not guaranteed. You may not get back the full amount invested. Our views are based upon our understanding of current legislation in England. Levels and bases of, and reliefs from, taxation are subject to change and their value to you will depend upon your personal circumstances. You should not act on any of the information without seeking professional advice. clarity Ltd is authorised and regulated by the Financial Conduct Authority (FCA).

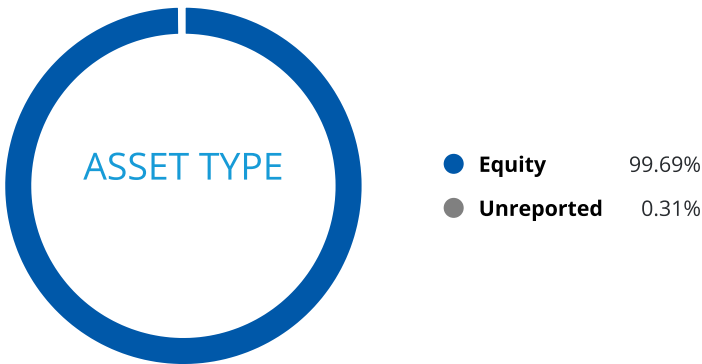
DESCRIPTION

SUMMARY

Premier Miton is a publicly listed fund manager, quoted on the London Stock Exchange and formed from the merger in 2019 between Premier Asset Management and the Miton Group. The combined group has an AUM of over £10bn and is focused on multi-asset and active UK, European and US equities.

The co-FMs, Carlos Moreno and Thomas Brown have worked previously managing Continental European equity strategies at Thames River and JO Hambro. Both have strong personal connections to Europe with Moreno being half-Spanish and Brown half-German. Both have around 20 years' investment experience each managing Continental European equity strategies.

A very long term analytical time horizon, growth focused, long only, bottom-up stock-picking continental Europe equity strategy. It has a fairly concentrated number of holdings, around 50 names typically. Launched by Miton as a new strategy in December 2015, the fund has grown significantly in recent years and the AUM as of Dec 2022 was £1.7bn.



INVESTMENT PROCESS

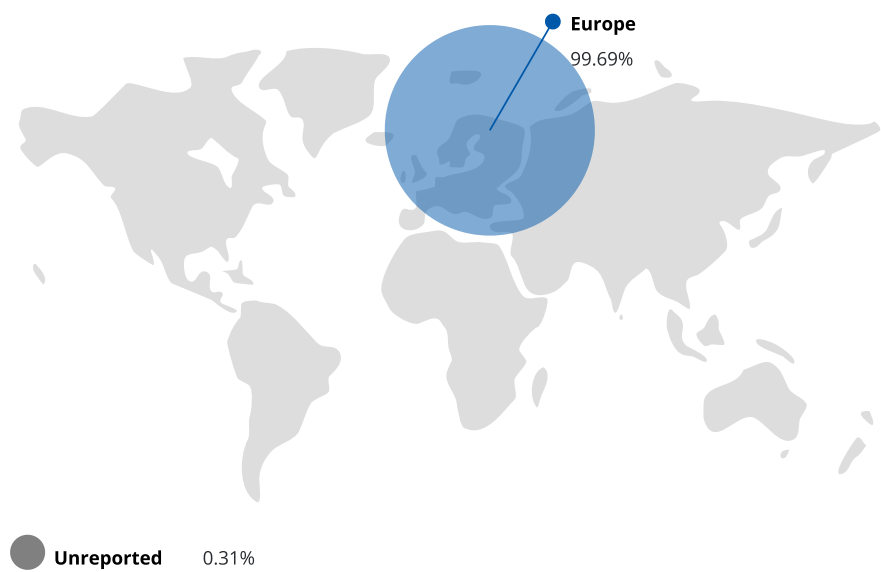
Investment philosophy is based on searching for quality growth ideas, built around long term thematic and analytical approach. Both managers look for sustainability in 'great' businesses. For them a great business means rising and superior return on capital, rising revenues and margins, as well as a 'wide moat' to competitors and an ability to invest at a superior marginal rate of return to drive superior medium term earnings growth. Their aim is to identify medium to long term winners with a 5-10 years outlook based on earnings growth, with valuation metrics supported by DCF analysis. This is about spotting long term structural winners that will generate superior earnings and cash flows through the economic cycle. They eschew shorter term fundamentals and collate their information by travelling to meet companies as well as networking local brokers to source new ideas.

This is a fairly concentrated bottom up, stock picking approach, typically c50-55 names in the portfolio. A Multi-cap focus but with a distinct lower large cap/upper mid-cap bias. Turnover is fairly constant at 20%, reflecting a consistent recycling of the portfolio. Typical position size is 1-4% while cash exposure is normally less than 5%. Their sweet spot are companies sized between €2-10bn for which they often build a position between 1-4%. Their distinction from peers is the ability to spot these smaller businesses with the multi-cap strategy offering flexibility in an unconstrained approach. The company meetings often allow the FMs to identify secular trends in businesses which are often missed by brokers and the market. Both managers come across as highly engaged and enthusiastic stock pickers.

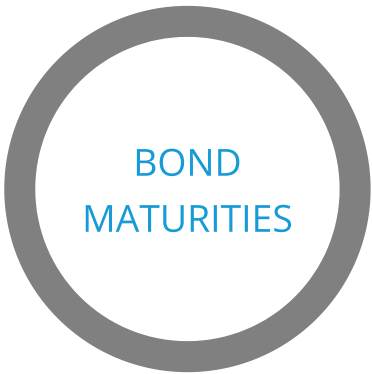
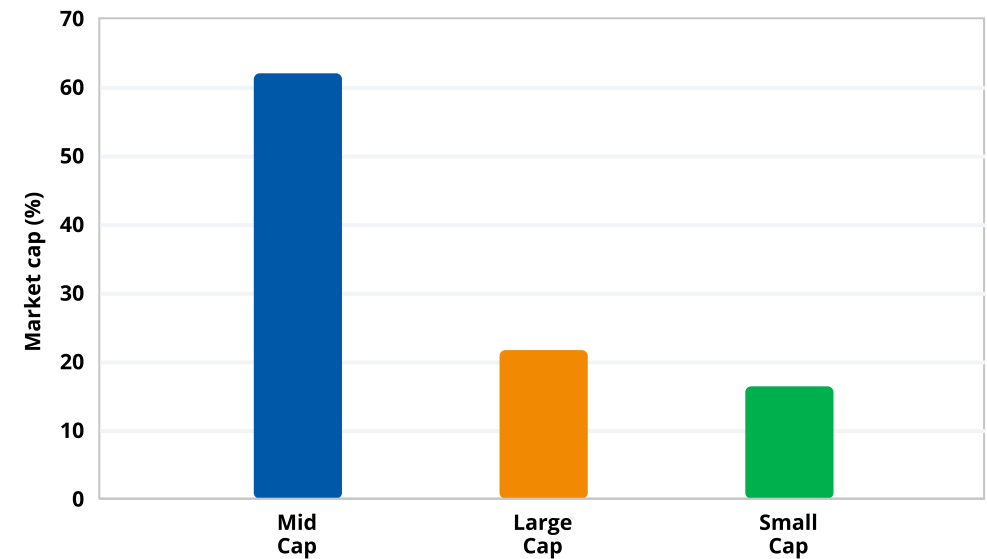
As the fund has grown in size, liquidity has to be seen as a key risk. European mid-caps do tend to be larger than their UK equivalents and this is the only European strategy at Premier Miton, so we do not have the issue of holdings being held by other managers at the same company. Given the size of the fund, any significant future inflows might be a cause for concern, but Premier Miton is not regarded as an asset gatherer and the manager would be able to determine any future capacity levels. Having said that, there is both a mark-to-market and liquidity risk to the strategy given the lower large cap/larger mid cap bias which could underestimate the true level of volatility within the Fund. This can be exacerbated particularly in the event of a severe market crisis event.

AGGREGATED NET EXPOSURE

REGIONAL EXPOSURE



EQUITY MARKET CAP (%)



BOND
MATURITIES

Not Applicable



BOND
RATINGS

Not Applicable

OVERALL PERFORMANCE

● Premier Miton European Opportunities B Acc ● Euro Stoxx Mid GBP

GROWTH (%) - OVER 1 YEAR

3 Apr 2023 - 29 Mar 2024



GROWTH (%) - FROM INCEPTION

15 Dec 2015 - 29 Mar 2024



DRAWDOWN (%) - OVER 1 YEAR

3 Apr 2023 - 29 Mar 2024



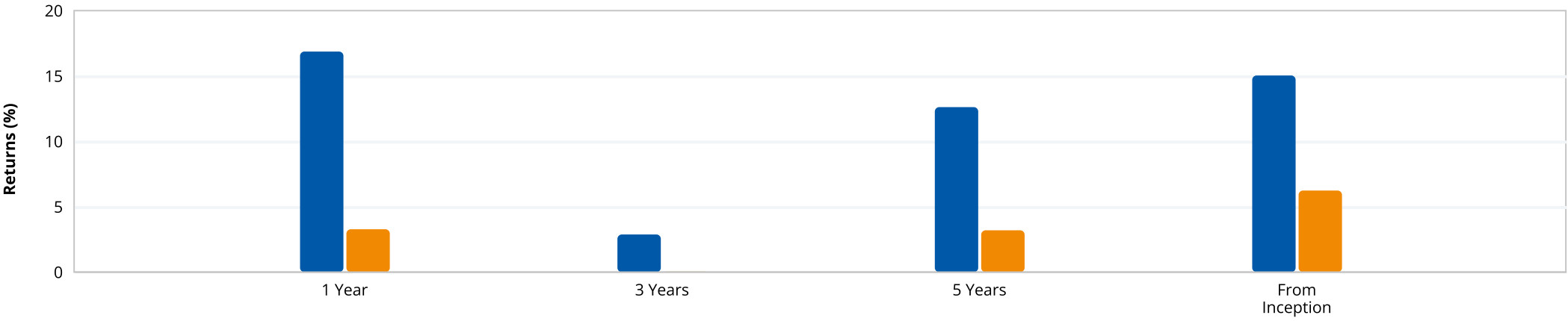
DRAWDOWN (%) - FROM INCEPTION

15 Dec 2015 - 29 Mar 2024



RETURNS

● Premier Miton European Opportunities B Acc ● Euro Stoxx Mid GBP



MONTHLY BREAKDOWN AND YEARLY TOTALS (%)

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	YEAR
2024	-2.27	4.82	3.78										6.31
2023	3.75	3.06	-2.50	1.69	-2.02	-0.81	4.45	-3.66	-3.47	-6.15	12.13	8.68	14.46
2022	-14.44	-3.55	4.58	-4.31	-2.78	-12.02	9.65	-3.96	-8.89	5.18	8.65	0.54	-22.13
2021	-2.28	0.19	2.47	5.10	-0.43	3.76	4.85	4.90	-5.84	3.01	-2.21	1.42	15.25
2020	-0.14	-5.19	-5.83	8.88	13.25	1.56	5.32	4.20	2.00	-5.15	10.60	5.46	38.25
2019	5.60	2.34	3.45	5.75	0.59	6.82	3.36	-1.63	-1.51	-2.08	5.74	1.62	33.86

Capped to 6 years.

ANNUALISED ROLLING RETURNS (%)

	1 YEAR	3 YEAR	5 YEAR	INCEPTION
●	16.87	2.88	12.62	15.04
●	3.28	0.04	3.20	6.24

CUMULATIVE RETURNS (%)

	1 YEAR	3 YEAR	5 YEAR	INCEPTION
●	16.73	8.86	80.76	218.20
●	3.26	0.13	17.01	64.81

● Premier Miton European Opportunities B Acc ● Euro Stoxx Mid GBP

PERFORMANCE - OVER 1 YEAR

3 Apr 2023 - 29 Mar 2024

RETURNS (%)	16.87	3.28
VOLATILITY (%)	16.20	11.95
ALPHA	0.36 *	
BETA	1.25 *	1.00
CORRELATION	0.85 *	1.00
SHARPE RATIO	0.70	-0.13
SORTINO RATIO	1.14	-0.18
MAX DRAWDOWN (%)	-14.61	-14.11

*Calculated over a 3 year period where history permits.

PERFORMANCE - FROM INCEPTION

15 Dec 2015 - 29 Mar 2024

RETURNS (%)	15.04	6.24
VOLATILITY (%)	19.17	17.41
ALPHA	0.73	
BETA	0.91	1.00
CORRELATION	0.81	1.00
SHARPE RATIO	0.71	0.28
SORTINO RATIO	1.00	0.39
MAX DRAWDOWN (%)	-37.24	-34.55

SIMPLE STRESS TEST DRAWDOWN (%)

3 Apr 2023 - 29 Mar 2024



Stress test notes

The chart shows the calculated drawdown over the last year. The Review Point is the fund intervention point. Any drawdown above this line indicates a typical drawdown in a normal market cycle. Should the drawdown hit the review point, then this indicates that market conditions may be abnormal. This is the point that we would consider taking immediate action for an extreme market event.

DISCLAIMER

Premier Miton European Opportunities Fund - GBP | March 2024

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