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Growing together, with integrity and respect

# Premier Miton UK Multi Cap Income Fund – Fund Manager Update

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## Meeting Summary – July 2025

Fund Managers: Gervais Williams and Martin Turner

Fund: Premier Miton UK Multi Cap Income Fund – B Accumulation Shares

AUM: £1,106.9m | Yield: 4.77% | OCF: 0.82% | Objective: Income with capital growth

## Team and Philosophy

The fund is co-managed by Gervais Williams and Martin Turner, experienced stock-pickers with a long history of managing income-focused portfolios. Their philosophy revolves around the idea that active management, particularly in under-researched parts of the market, can deliver superior outcomes. They aim to build portfolios that are resilient through economic cycles, focusing on real-world utility, financial robustness, and underappreciated growth potential.

## Overview and Strategy

The Premier Miton UK Multi Cap Income Fund is designed to offer an attractive and growing income stream by investing across the full spectrum of the UK equity market. The strategy is built on a recognition that globalisation is reversing, and that overleveraged 'zombie' businesses will increasingly struggle. The fund avoids such exposures, instead seeking companies with strong balance sheets, dependable cash flow, and the potential to benefit from economic dislocations. Market conditions suggest a regime shift where average market returns may stagnate—making selectivity and stock-picking skill essential.

## Investment Process

The investment process is fundamentally bottom-up. The managers look for companies that not only pay dividends, but have the potential to grow them. Their screening focuses on profitability, balance sheet strength, cash flow visibility, and alignment of management incentives. Unlike funds that stick closely to large caps, this strategy embraces AIM and smaller companies, where upside potential and earnings upgrades are often more significant. Diversification across the FTSE, AIM, and ACWIS is deliberate—allowing access to underappreciated parts of the market and minimising correlation risks.

## Key Fund Manager Insights

- Markets may face a prolonged flat period in real terms—selectivity is key.
- UK-listed small and micro-cap companies are often overlooked despite offering real growth potential and strong fundamentals.
- The fund prefers companies with cash on the balance sheet—able to capitalise on future opportunities and consolidate market share.
- As passive strategies falter in a higher-rate environment, equity income investing may see a renaissance.
- The managers aim to avoid crowded trades, instead identifying undervalued assets where optionality is underappreciated.
- They are content to miss the first 20% of hype-driven rallies in favour of more sustainable long-term returns.
- The UK economy, contrary to some perceptions, has a strong foundation of socially productive businesses that pay tax, employ people, and generate capital growth.
- The next market leadership cycle may come from small and micro-cap stocks—the ‘forgotten’ areas of the market.
- Equity income may be one of the most important investment styles over the next 20 years.

## Performance and Positioning

The fund continues to deliver a high yield (4.77%) while maintaining exposure to companies with long-term capital appreciation potential. It has a diversified portfolio across the market cap spectrum, with meaningful allocations to FTSE Small Cap and AIM. The managers focus on building positions in companies that offer both income and resilience, while actively managing risk around debt and cyclicity.

## Outlook

The fund is well-positioned for a market regime where passive performance may disappoint and small-cap re-ratings present real opportunities. The managers believe that now more than ever, investors need diversity and skill-based management to navigate economic fog and capitalise on dislocation. With continued commitment to real income, downside protection, and UK-centric opportunity, the fund stands out in a changing market landscape.

## Conclusion

Premier Miton's UK Multi Cap Income Fund offers a unique proposition—genuine multi-cap diversification, a commitment to income growth, and a forward-looking strategy built for uncertain markets. As investors reassess the role of passive investing and mega-cap tech, this fund is quietly focused on real businesses, real income, and real resilience.

For more information, please visit the fund page:

<https://www.premiermiton.com/funds/premier-miton-uk-multi-cap-income-fund/>

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