



Growing together, with integrity and respect

# Premier Miton UK Growth Fund – Fund Manager Update

---

## Meeting Summary – July 2025

- **Fund Managers:** Benji Dawes and Jon Hudson
- **Fund:** Premier Miton UK Growth Fund – Sterling Class C Income Shares
- **AUM:** £178.7m | OCF: 0.96% | Objective: Long-term capital growth

## Key Fund Manager Insights

### Team and Philosophy

The fund is co-managed by Jon Hudson and Benji Dawes, both CFA Charterholders with over a decade of investment experience at Premier Miton. They focus on a disciplined investment philosophy centered around quality, valuation, and growth. Their belief is that alpha is best generated through detailed company-specific analysis, a multi-cap approach, and a strong emphasis on avoiding systemic risk. The team undertakes hundreds of company meetings each year to deepen their conviction and maintain high standards of due diligence.

### Overview and Strategy

The Premier Miton UK Growth Fund is an actively managed, multi-cap UK equity portfolio focused on long-term capital growth. It seeks to invest in high-quality companies across the market cap spectrum that are capable of delivering sustained earnings growth, while avoiding overpaying for this growth. Around 60% of the portfolio is invested in SMID-cap companies, positioning it for long-term alpha generation. The fund maintains a diversified sector allocation, with holdings chosen based on bottom-up research, irrespective of index composition.

## Investment Process

The fund's investment process begins with a screening universe of over 1,500 UK-listed stocks. Stock selection is driven by detailed fundamental research, looking at return on invested capital (ROIC), free cash flow yield, valuation metrics like PEG ratios, and management quality. Companies are categorised into three growth buckets: steady growth, high growth disruptors, and latent growth. The managers build a focused portfolio of 40–60 stocks, with position size based on conviction and risk parameters including sector and market cap exposure. Stocks are sold when valuations reach target prices, earnings quality deteriorates, or confidence in the growth trajectory weakens.

## Fund Manager Insights

- The fund seeks to identify 'winners'—companies with strong competitive edges that can take market share in their industries.
- Approximately 75% of profits generated are from overseas, reflecting global exposure despite a UK listing.
- The portfolio is positioned to challenge prevailing market pessimism around the UK economy, especially given the fiscal prudence being exercised domestically.
- While the US is driving growth via high deficit spending, the UK's cautious approach and high savings rate imply latent consumer potential.
- AI and fintech remain central themes, with London seen as a global hub for talent—ranking just behind Silicon Valley due to institutions like Imperial, Oxford, Cambridge, and firms like Google AI.
- Regulatory conditions continue to act as headwinds, though a pro-business policy shift is anticipated within 12–18 months.
- Portfolio includes high-conviction holdings such as Jet2, IG Group, and Alpha Group—names that typically fall outside mainstream indices, offering a radically different return profile.
- SMID cap exposure comprises approximately 60% of the fund, underlining the managers' belief in long-term alpha from overlooked areas of the UK market.
- Investors must be comfortable with potential short-term underperformance; long-term performance (49.24% over 5 years) highlights the benefits of staying the course.
- AIM exposure provides opportunities; Jet2, for instance, remains underrepresented in many AIM portfolios. Since the low of April 2025, the shares have risen nearly 50%.
- A small shift—just 1-2% reallocation—from US to UK equities in the global index could represent a significant capital inflow and positive market uplift given current valuation differential.
- Optionality is underappreciated by many investors; the fund focuses on maintaining a portfolio that can benefit from multiple macro-outcomes.

## Performance and Positioning

Since the managers' inception in November 2017, the fund has returned 74.92%, outperforming both the FTSE All-Share Index (53.29%) and IA UK All Companies sector (37.79%).

Despite headwinds in UK mid- and small-cap segments, the managers remain confident that current valuations offer attractive entry points. The fund is constructed bottom-up, with emphasis on quality, valuation, and growth.

## Current Portfolio Themes

Top holdings include Wise, Alpha Group International, IG Group, Jet2, and TP ICAP Group. Sector exposure is broad, with overweight positions in Financials (26.7%) and Consumer Discretionary (15.8%).

Market cap allocation: Large Cap 46.3%, Mid Cap 34.0%, Small Cap 16.7%.

## Outlook

The managers continue to advocate a contrarian stance, citing underappreciated value in UK equities. They highlight that historical precedent shows strong returns follow periods of SMID cap underperformance.

## Conclusion

Premier Miton's UK Growth Fund offers investors access to a high-conviction, multi-cap portfolio that is differentiated from the broader UK equity index. With a clear philosophy grounded in long-term fundamentals and an experienced team focused on bottom-up research, the fund continues to seek out high-quality companies with the potential to generate superior returns. Investors seeking to diversify their UK exposure with a strong tilt towards SMID-cap opportunities may find this fund compelling.

For more information, please visit the fund page:

<https://www.premiermiton.com/funds/premier-miton-uk-growth-fund/>

**Disclaimer:** Past performance is not a reliable indicator of future results. The value of investments can fall as well as rise, and investors may not get back the amount originally invested. Money Wise UK is not a regulated entity, and this document does not constitute investment advice or a recommendation to buy or sell any fund or security mentioned. The information is based on fund documentation, meetings with the fund manager, and performance materials, and is provided for informational purposes only. Investors should conduct their own research and seek advice from a qualified financial adviser before making any investment decisions.