



Fund Manager Review – Premier Miton Strategic Monthly Income Bond Fund

Lead Manager: Lloyd Harris
Fund Inception: September 2020
Date of Review: May 2025
Fund Website: <https://www.premiermiton.com/funds/premier-miton-strategic-monthly-income-bond-fund/>

Overview and Strategy

The Premier Miton Strategic Monthly Income Bond Fund is an actively managed short-duration bond strategy focused on delivering monthly income and capital growth over the long term. The fund operates across a broad global investment-grade and selectively high-yield universe, targeting bonds with 0–6 year durations.

It aims to optimise return opportunities by identifying mispriced bonds, controlling volatility, and booking profits when relative value becomes attractive — rather than relying solely on holding bonds to maturity.

Key characteristics include:

- Target Yield: ~6.2% distribution yield (Mar 2025)
- Portfolio Bias: Investment-grade corporates and government bonds for liquidity
- Fund Size: £418.7 million (Mar 2025)

Team and Philosophy

Led by Lloyd Harris (formerly of Merian and Quilter Investors), the team philosophy is built around:

- **One cohesive team** structure with independent thinking but aligned goals.
- **Industry specialisation**, monitoring credit sectors closely without unnecessary "busywork".
- **Industrious, pragmatic culture**: Always "looking at today, not yesterday" for opportunities.
- **Avoidance of “dash for trash”**: Focus remains on quality credits rather than chasing riskier yield.

The team has a proven track record, with a focus on controlling drawdowns, maintaining low volatility, and delivering strong risk-adjusted returns.

Key Investment Themes and Process

- **Active daily management**: The team monitors the portfolio daily, constantly seeking mispriced opportunities, rather than adopting a passive "buy and hold" mentality.
- **Short-dated bonds**: Focus on 0–6 year maturities to limit interest rate volatility.
- **Developed markets bias**: Mainly investment-grade bonds across developed economies, with select exposure to high-yield where appropriate.
- **Profit Booking Discipline**: Strong emphasis on taking profits early to manage volatility and ensure consistent returns.
- **Dynamic Duration Management**: Willing to adjust portfolio duration tactically, although duration is not viewed as the primary driver of returns.

Recent Positioning and Observations (as of May 2025)

- High market activity with over £1.4 trillion of corporate bonds issued in 2024 (euro-denominated), creating a fertile ground for identifying new opportunities.
- Cautious on duration rallies and selective about participation in volatile markets.
- No significant exposure to big moves in equities; remains focused on the credit quality of bond holdings.
- Active exploitation of inefficiencies created by passive index-tracking funds.

- Particularly wary of developments in the high-yield market given heavy refinancing needs expected through 2025–26.

Performance Overview

- **Cumulative Return Since Launch (Sept 2020 - Mar 2025):** +17.1%
- **Annual Distribution Yield:** 6.2% (as at March 2025)
- **Average Credit Rating:** A-
- **Portfolio Duration:** 3.28 years

The fund has demonstrated first-quartile performance versus its IA Sterling Strategic Bond sector peers.

Conclusion

The Premier Miton Strategic Monthly Income Bond Fund is a differentiated offering for investors seeking a short-duration, actively managed, income-focused bond solution. By leveraging daily opportunity identification, strict volatility management, and a deep commitment to liquidity and quality, the fund positions itself well for investors concerned about macro uncertainty and higher rates.

It is best suited for clients seeking:

- A consistent income stream with modest capital growth.
- Exposure to high-quality bonds without excessive duration risk.
- An active management approach to navigating volatile fixed income markets.

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