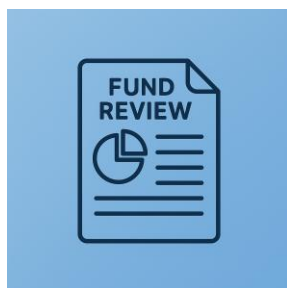




Growing together, with integrity and respect



Review – Proposed Premier Miton Retirement MPS

Background

Following the FCA Retirement Income Advice Thematic Review (TR24/1, March 2024) and its accompanying Dear CEO letter, solution providers have been busy launching products they believe will help advisers deliver a Centralised Retirement Proposition (CRP®). The FCA has made it clear that retirement income advice is an ongoing supervisory priority, and firms must demonstrate how they have adapted their frameworks to reflect the significantly different risks associated with decumulation compared to accumulation.

Some providers have produced dedicated income strategies, while others have moved towards more complex structures. Premier Miton, long-standing advocates of natural income as a sustainable income source, are now exploring a specific decumulation strategy within their Managed Portfolio Service (MPS) range.

Why Consider Premier Miton

Premier Miton has a strong pedigree in the natural income space, managing over £11bn of assets (as of 2025, Premier Miton AUM) across income-focused strategies. Within their MPS and funds, they already run a range of options, including:

- **Low-cost index strategies** with an asset-allocation overlay.
- **Natural income strategies** which appeal to advisers seeking predictable dividend/coupon flows.

Given this heritage, Premier Miton would appear well-positioned to design a retirement-specific strategy.

What is Proposed

At this stage, Premier Miton are consulting with financial planners to understand requirements. The outline proposal discussed appears somewhat complex:

- A natural income component would be reinvested to purchase additional units.
- To provide income, the strategy would then sell down units to generate the cash flow required.

In effect, this blends two approaches, natural income and unit encashment. The platform's capability to administer this process needs to be checked. Advisers would also need to establish appropriate unit encashment instructions, which could potentially result in the sale of units that had been repurchased only recently.

Concerns

Complexity and Administration

This structure risks being operationally cumbersome, particularly where platforms may not easily support the reinvestment-plus-encashment model. Advisers could face additional oversight and reconciliation work, which would undermine one of the key goals of a CRP, consistency and repeatability.

Departure from Simplicity

An earlier iteration, involving gradual phasing into natural income and creating a cash buffer, had clear merit. It would have provided:

- A smoother fixed income from day one.
- Protection from the fluctuations of dividend income.
- Better alignment with the FCA's emphasis on showing clients sustainable income pathways (TR24/1).

By contrast, the current approach feels like an attempt to please multiple audiences while delivering a structure that may confuse both advisers and clients.

Regulatory Knowledge Gap

Our concern is that Premier Miton's proposals seem product-led rather than framework-led. The Thematic Review emphasises the need for advisers to demonstrate:

- Clear client segmentation (accumulation vs decumulation).
- Defined withdrawal policies.
- Stress testing of income sustainability.

Advisers arguably need guidance and tools more than packaged “solutions”. Simply offering a product risks falling short of the FCA’s expectations for robust retirement frameworks.

Market Comparisons

We have already seen a wave of complex products targeting the retirement market, ranging from structured products offering low-volatility income to capital-at-risk funds and quasi-guaranteed solutions. Many have struggled to gain traction because they prioritised product design over the adviser process.

Evidence from NextWealth’s 2024 Retirement Advice Report shows that advisers place the highest value on:

- Practical guidance on sustainable withdrawal rates.
- Stress testing against inflation/longevity risks.
- Tools for communicating retirement trade-offs to clients.

This suggests that “foundations first,” helping advisers utilise existing tools and portfolios in a retirement-specific manner, is a more effective strategy.

Conclusion

Premier Miton’s early discussions around guidance and a phased runway into natural income showed real promise. This approach built on existing infrastructure, supported advisers in aligning with FCA expectations, and avoided unnecessary product complexity.

By moving towards a bespoke, productised “clever solution,” Premier Miton risks diluting this advantage. The current iteration appears over-engineered, at odds with their historic advocacy of simplicity in income investing and potentially misaligned with what advisers need most: clarity, process support, and Consumer Duty-compliant frameworks.

As it stands, if this is the final direction, we believe adoption will be limited. Advisers and clients may be better served by straightforward natural income strategies combined with practical CRP® guidance and tools.

Criteria	Premier Miton Proposal	FCA TR24/1 Expectations	Adviser Needs
Income Delivery Method	Hybrid: natural income reinvested, then units sold for income	Clear, sustainable income pathways (natural income, drawdown, or hybrid – but simple)	Flexibility – natural income, cash buffer, or drawdown depending on client
Complexity & Administration	High – reinvestment + encashment requires additional oversight	Low – frameworks should be repeatable and easy to evidence	Low – avoid admin burden, prefer simple repeatable processes
Alignment with FCA TR24/1	Partial – unclear withdrawal policy, complex income pathway	Full – focus on segmentation, withdrawal policy, sustainability	Alignment – want FCA-compliant frameworks without over-engineering
Adviser Priority Needs	Product-driven, less focus on process guidance	Guidance-first approach, aligned with Consumer Duty	Tools & guidance over new products
Platform Feasibility	Uncertain – platforms may not support dual mechanism	Practical – should work within current adviser and platform infrastructure	Seamless – must work on existing platforms
Risk Management	Limited – not clearly stress-tested or linked to withdrawal policies	Mandatory – stress testing longevity, inflation, market risks	Clear – want models tested against market downturns and client scenarios
Client Understanding	Potentially confusing – reinvestment and encashment may appear contradictory	Transparent and client-friendly – easy to explain	Simple messaging to clients – avoid jargon and complexity
Overall Effectiveness	Overly complex, risks low adoption	Frameworks > products; solutions must evidence good outcomes	Practical, usable, and easy to implement in a CRP®

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