Premier Miton INVESTORS

Premier Miton Optimum Income Fund

Sterling class B - Income shares

Objective

The objective of the fund is to provide a yield of 7% per annum together with the prospect of capital growth over the long term, being five years or more. Five years is also the minimum recommended period for holding shares in this fund. This does not mean that the fund will achieve the objective over this, or any other, specific time period and there is a risk of loss to the original capital invested. The fund's target yield is not guaranteed and may change if the assumptions on which the target is calculated change. Income will be paid four times a year as dividend distributions.

Fund facts

Fund size	£99.7m
Target yield	7.00% p.a.
Launch dates	Fund - 01 Oct 2008 Share class - 11 Mar 2013
Fund structure	OEIC
Reporting dates	Final - 31 May Interim - 30 Nov
Base currency	GBP
Valuation point	12:00 noon
ISA eligible	Yes
Investment Association sector IA UK Equity Income	
Performance comparator IA UK Equity Income	

Please see page 3 for further information.

Investment team



Fund manager
Emma Mogford
Joined Premier Miton
Nov 2020
Manager since
Nov 2020



Fund manager
Geoff Kirk
Joined Premier Miton
Jul 2017
Manager since
Oct 2017



Assistant fund manager
Mahgul Ansari
Joined Premier Miton
Jun 2021

Fund codes

ISIN	GB00B7SHXP79
Sedol	B7SHXP7
Bloomberg	PREOIBI:LN

Minimums

Initial	Top-up	Withdrawal	Holding
£1,000	£500	£500	£500

Fund manager, Emma Mogford, will be taking a short period of maternity leave from mid February until late April when she will be phasing her return. Assistant fund manager, Mahgul Ansari, will take responsibility for the equity portfolio of the Fund during the short period of time that Emma is away. Geoff Kirk will continue to manage the options overlay.

Investment overview

- Income paid four times a year as dividend distributions.
- At least 80% of the fund is invested in shares in companies listed in the UK and which could be smaller, medium or larger sized companies.
- The fund managers employ a strategy of combining a portfolio of company shares, with a covered call overwriting strategy to enhance the income.

Awards and ratings

MSCI ESG RATINGS AA

Awards and ratings are based on past events and are not an indication of future performance. Ratings are not a recommendation. Please see page 4 for further information.

Performance over 5 years (%)

— Manager start date: 19 Nov 2020



Cumulative performance (%)	1m	3m	1y	3y	5y	10y	Manager start
Fund	0.17	8.32	5.17	30.61	17.08	47.56	29.36
Sector	-1.42	7.76	1.17	23.66	25.35	59.96	26.99

Calendar year performance (%)	2019	2020	2021	2022	2023	YTD
Fund	26.17	-23.70	18.17	0.74	8.12	0.17
Sector	20.07	-10.73	18.39	-1.69	7.02	-1.42

Discrete annual performance (%)	31.01.19 31.01.20	31.01.20 29.01.21	29.01.21 31.01.22	31.01.22 31.01.23	31.01.23 31.01.24
Fund	15.54	-22.41	19.77	3.69	5.17
Sector	11.41	-9.01	18.76	2.92	1.17

Source: FE Analytics. Based on Sterling class B - Income shares, on a total return basis to 31 January 2024. Performance is shown net of fees with income reinvested. On 20.01.2020, this fund moved from a single pricing basis (mid) to a swing pricing basis.

Risks: The value of investments may fluctuate which will cause fund prices to fall as well as rise and investors may not get the original amount invested. The performance information presented on this page relates to the past. Past performance is not a reliable indicator of future returns. More information about the risks of investment is provided later in this document.

Portfolio breakdown

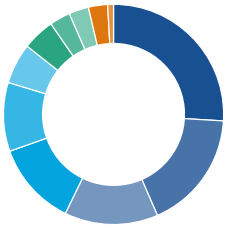
Top 10 holdings (%)



Top 10 holdings	**39.3%**
Rest of portfolio	**60.7%**

RELX	5.5
Unilever	5.1
BAE Systems	4.4
GSK	4.2
Smiths Group	3.9
British American Tobacco	3.8
Legal & General Group	3.2
Sanofi	3.1
Bunzl	3.1
Smith & Nephew	3.1

Sector (%)



Industrials	26.1
Financials	17.6
Consumer Staples	13.8
Health Care	12.4
Consumer Discretionary	10.2
Energy	6.0
Utilities	4.8
Communication Services	3.1
Real Estate	2.9
Materials	2.8
Cash & equivalent	0.9
Equity Call Options	-0.6

Charges

Ongoing charges figure (OCF) 1.21%
as at 31.05.2023

The OCF is based on the last year's expenses and may vary from year to year. It excludes the costs of buying or selling assets for the fund (unless these assets are shares of another fund). The OCF includes the annual management charge. Transaction charges will also apply. Please refer to the total costs & charges document on our website for more information.

Initial charge 0.00%

Charges are taken from capital

As the objective of the fund is to treat the generation of income as either an equal or higher priority than capital growth, the fund's charges will be taken from capital instead of income. This may result in higher levels of income payments but could result in capital erosion or constrain capital growth.

Income

Target yield 7.00% p.a.

The annual yield is the sum of the quarterly yields for the four quarterly periods ending 30 November. Each quarterly yield is calculated by dividing the dividend covering the quarter by the share price at the start of the quarter and is expressed as a percentage. For example, if the dividend was 1p on 28 February and the price was 100p on 1 December, the quarterly yield would be 1/100 = 1%. The target yield is not guaranteed and can change.

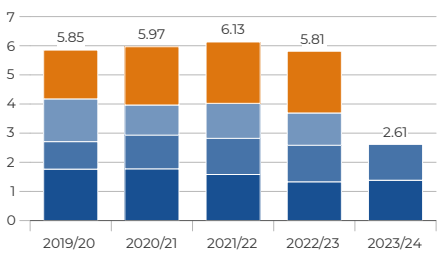
Payment frequency Quarterly

Payment dates 31 Jul, 31 Oct, 31 Jan, 30 Apr

Ex dividend dates 1 Jun, 1 Sep, 1 Dec, 1 Mar

Income distribution (pence per share)

Total income distributions in each of the fund's last 5 financial years.



The dividend amount that is paid each year can go down and up and is not guaranteed

Performance comparator

The fund is classified in the IA UK Equity Income sector, which we believe is a meaningful comparator to help investors assess the performance of the fund.

General risks

Reference to any stock or fund is not a recommendation for investment purposes.

All types of investment carry a degree of risk. It is possible you could lose some, or all, of the money you invest. The level of risk varies depending on the type of investment.

Typically, you are less likely to lose money over the long term from an investment that is considered low risk, although potential returns may also be lower. Investments considered higher risk typically offer greater opportunities for better long-term returns, though the risk of losing money is also likely to be higher.

When you invest, it is important that you understand the risk to your money and are comfortable with that level of risk. If you are unsure, we would recommend that you consult a financial adviser.

The value of your investment might not keep up with any rise in the cost of living.

You could lose money if financial markets fall.

There is no guarantee that the investment objective of the fund will be achieved.

The levels of taxation that apply to income or capital gains from the fund, including any tax relief that may be available, will depend on your personal tax situation.

Funds with similar objectives may not perform in the same way as they are likely to have different holdings.

Fund performance will be affected by investment decisions made by the fund manager.

Other risks

Some of the main specific risks of investing in this fund are summarised here. Further detail is available in the prospectus for the fund.

Call options
A type of derivative. Call options can be used for a number of reasons; they can be used to generate income or to gain exposure to an asset. These can make a fund more volatile from time to time.

Collective investment schemes (funds)
Where other funds are held in a portfolio, or where there is indirect exposure to other funds, these could include higher-risk investments like hedge funds, property funds or commodity funds (e.g. investing in gold, oil), which would increase the overall risk in the fund.

Currency
Where investments in a fund are denominated in currencies other than sterling (for example, if a fund holds assets priced in euros), its value will be affected by changes in the relevant exchange rate. Certain other investments, such as the shares in companies with profits from other countries, will also be effected.

Derivative
A contract whose value is based on the change in price of a specific asset or index. When derivatives are used within a fund, it doesn't necessarily increase risk. However, price changes in the underlying asset can translate into big swings in the value of derivatives (up and down), which has a direct effect on the value of the fund.

Equities
Equities (shares) can experience high levels of price fluctuation.

Geographic concentration
Funds that have a strong focus on a particular country or region can carry a higher risk than funds with a more diversified portfolio.

High volatility
This fund may experience high volatility due to the composition of the portfolio or the portfolio management techniques used.

Inflation
Higher inflation can lead to some investments falling in value, particularly those with a fixed level of interest, for example government bonds and corporate bonds.

Infrastructure
Investments are often in large-scale projects whose profitability can be affected by supply problems or rising prices for raw materials or natural resources. Changes in the wider economy and government regulation can also have a significant influence.

Interest rate
Changes in central bank interest rates can affect all types of assets, in particular, securities such as government bonds and corporate bonds that generally offer a fixed level of interest. If interest rates go up, the value of a bond may fall, and vice versa.

Legal and tax
The income or capital gains from investments can sometimes be affected by changes in legal and tax regulations or how these rules are applied.

Liquidity
In some instances, for example, when market conditions generally are difficult, holdings in a fund may be difficult to sell and buy at the desired price. The fund value could fall as a result.

Operational
Processes, systems and controls around your investment might fail. The more complex or unusual the investments that the fund holds, the more likely this is to happen. For example, developing markets may have less reliable systems or lower standards of governance than more developed markets.

Over The Counter derivatives (OTC)
These are types of derivatives that are not traded on a public exchange. Agreed privately between two parties, OTC derivatives can be tailored to meet the exact needs of each party. They can make a fund more volatile from time to time.

Property and Real Estate Investment Trusts
Property values can rise and fall sharply depending on the strength of a country's economy.

Ratings, awards and other information

The methodology and calculations used by the third parties providing the ratings/awards are not verified by Premier Miton Investors and we are unable to accept responsibility for their accuracy, nor should they be relied upon for making an investment decision.

The Global Industry Classification Standard ("GICS") was developed by and is the exclusive property and a service mark of MSCI Inc. ("MSCI") and Standard & Poor's, a division of The McGraw-Hill Companies, Inc. ("S&P") and is licensed for use by Premier Asset Management Limited. Neither MSCI, S&P nor any third party involved in making or compiling the GICS or any GICS classifications makes any express or implied warranties or representations with respect to such standard or classification (or the results to be obtained by the use thereof), and all such parties hereby expressly disclaim all warranties of originality, accuracy, completeness, merchantability and fitness for a particular purpose with respect to any of such standard or classification. Without limiting any of the foregoing, in no event shall MSCI, S&P, any of their affiliates or any third party involved in making or compiling the GICS or any GICS classifications have any liability for any direct, indirect, special, punitive, consequential or any other damages (including lost profits) even if notified of the possibility of such damages.

A swing pricing is where the price can swing to either a bid or an offer basis depending on the investment and redemption activity in the fund. This means the investor selling or buying fund shares bears the associated [dis] investment costs and protects the continuing holders in the fund. Performance could be shown on a combination of bid, mid or offer prices, depending on the period of reporting.

MSCI ESG Research LLC's ("MSCI ESG") Fund Metrics and Ratings (the "Information") provide environmental, social and governance data with respect to underlying securities within more than 31,000 multi-asset class Mutual Funds and ETFs globally. MSCI ESG is a Registered Investment Adviser under the Investment Act of 1940. MSCI ESG materials have not been submitted to, nor received approval from, the US SEC or any other regulatory body. None of the Information constitutes an offer to buy or sell, or a promotion or recommendation of, any security, financial instrument or product or trading strategy nor should it be taken as an indication or guarantee of any future performance, analysis, forecast or prediction. None of the Information can be used to determine which securities to buy or sell or when to buy or sell then. The Information is provided "as is" and the user of the Information assumes the entire risk of any use it may make or permit to be made of the Information.

Glossary

Accumulation shares
A fund may have accumulation and income shares. If an investor selects this share type, any income generated by the fund is automatically reinvested. The amount of the reinvested income is reflected in the increased price of each accumulation share.

ACD
Authorised Corporate Directors (ACDs) are responsible for the running of an investment fund. They have a duty to act in the best interests of the fund's investors, and ensure that the fund is well managed in line with regulations and with the investment objectives and policies set out in its prospectus.

Annual management charge (AMC)
The yearly fee paid to Premier Miton for managing a fund, expressed as a percentage of your investment. The AMC does not typically change from year to year.

Assets
Different groups of investments such as company shares, bonds, commodities or property.

Call options
A type of derivative. Call options can be used for a number of reasons such as generating income or to gain exposure to an asset. They give the buyer the right, but not the obligation, to buy underlying shares at a pre-agreed price, (the strike price), on a specific date in the future (the expiry date). The seller (writer) of the option has an obligation to sell the underlying shares at the strike price if the option is exercised.

Capital
Describes financial assets, particularly cash, or other assets, such as shares, owned by a person or organisation.

Capital growth
The increase in the value of an asset or investment over time, measured by its current value compared to its purchase cost.

Dividends
The portion of its capital that a company chooses to return to its shareholders. For a fund or trust, this is the payment of fund's income to its shareholders.

Equities
Another name for shares (or stock) in a company.

Investment Association (IA)
The trade association that represents investment management firms in the UK.

IA sectors
To help with comparisons between the thousands of funds available, funds are categorised into different groups or sectors, organised and reviewed by the Investment Association (IA).

IA UK Equity Income sector
Funds which invest at least 80% in UK equities and which intend to achieve a historic yield on the distributable income in excess of 100% of the FTSE All Share yield at the fund's year end on a 3 year rolling basis and 90% on an annual basis.

Individual Savings Account (ISA)
A type of tax-free scheme, set up by the government, designed to help people make the most of their savings and investments. All income and gains from an ISA investment are exempt from UK Income Tax and Capital Gains Tax. HM Revenue and Customs sets the maximum amounts that you are allowed to invest into an ISA each tax year.

Market capitalisation
The total value of the shares of a company, often referred to as 'market cap'.

Ongoing Charges Figure (OCF)
A measure of what it costs to invest in a fund over a year. It includes the fee paid to Premier Miton for the management of the fund (known as the annual management charge), with the remainder covering costs that have to be paid to external companies for other services relating to the ongoing administration and management of a fund, such as the fees paid to the depositary, custodian, regulator, auditor and administrator. The fee is deducted from the value of the fund and reflected in the fund's share price. The OCF is typically calculated once a year and can change from year to year.

Total return
A way of showing how an investment has performed, and is made-up of the capital appreciation or depreciation and includes any income generated by the investment. Measured over a set period, it is expressed as a percentage of the value of the investment at the start of that period.

Yield
The dividend per share divided by the stock's or fund's price per share and expressed as a percentage. The historic yield is the dividend income distributed during the past year and expressed as a percentage of the share price on a particular day.

Contact us

From 9:00am to 5:30pm, Monday to Friday, excluding bank holidays.

0333 456 4560

contactus@premiermiton.com

Whilst every effort has been made to ensure the accuracy of the information contained within this document, we regret that we cannot accept responsibility for any omissions or errors. Reference to any particular stock or fund does not constitute a recommendation to buy or sell the stock or fund. Persons who do not have professional experience in matters relating to investments should not rely on the content of this document.
We are unable to give financial advice. If you are unsure about the content contained within/suitability of the funds mentioned, please speak to a financial adviser.
All data is sourced to Premier Miton unless otherwise stated.
A free, English language copy of the fund's full prospectus, the Key Investor Information Document and Supplementary Information Document are available on the Premier Miton website, or you can request copies by calling us on 01483 306090.
For your protection, calls may be monitored and recorded for training and quality assurance purposes.
Financial Promotion issued by Premier Portfolio Managers Limited which is registered in England no. 01235867, authorised and regulated by the Financial Conduct Authority and a member of the 'Premier Miton Investors' marketing group and a subsidiary of Premier Miton Group plc (registered in England no. 06306664). Registered office: Eastgate Court, High Street, Guildford, Surrey GU1 3DE.