

For investment professionals only

Premier Miton Defensive Multi Asset Fund

Key Facts

Fund launch date	27 December 1996
Fund type	OEIC
Fund managers	David Jane Anthony Rayner
Fund size	£121.6m
No of holdings	191
IA Sector	Mixed Investment 0-35% shares
Base Currency	GBP
Valuation point	12:00 midday
Accounting dates	Final - 30 Jun Interim - 31 Dec

Summary

- A month lacking any material moves, but broadly slightly lower.
- Slightly negative performance across most of the asset classes.
- Portfolio activity was dominated by a reduction in the duration of the bond portfolio and a continued rebalance towards reflation beneficiaries.
- Markets maintain their belief that low rates and reflation are the sweet spot.

Market Review

January was generally a weaker month across asset classes, although moves were muted compared to many recent periods.

It was a weaker month for equity than recently, with most markets drifting lower. Asia and the NASDAQ Index bucked the trend with small gains recorded.

Government bonds were also broadly lower, with yields continuing their rise in most markets. This fed through to corporate bond markets with most areas making losses also.

In commodities gold was also a loser, while oil was a notable highlight, building on recent gains.

Performance

It was a slightly negative month for overall portfolio returns, returning -0.6%, with marginally negative returns in all asset classes.

Overall, equity returns were negative, mostly due to losses from our US equities, although there were losses in all regions.

Rising government bond yields was the story for our bond portfolios. Our longer duration government bonds detracted and most of our corporates also detracted. Some of the high yield bonds made money, where spread narrowing was enough to offset rising benchmark yields.

Ratings and Awards



Past performance is not a guide to future returns.

Calendar year performance (%)

	YTD	2020	2019	2018	2017	2016
Fund	-0.6	6.8	9.1	-4.7	7.1	5.4
Sector	-0.4	3.9	8.7	-3.4	4.8	8.5
FTSE 100 Index	-0.8	-11.6	17.3	-8.7	12.0	19.1

Source: FE Analytics. On 30 November 2020, this fund moved from a single pricing basis (mid) to a swing pricing basis, which 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. Performance is shown net of fees with income reinvested.

The fund is classified in the IA Mixed Investment 0-35% Shares sector, which we believe is a meaningful comparator to help investors assess the performance of the fund. As the fund invests in a range of asset classes there is no single index that is reflective of the fund. The FTSE 100 index has been selected as a performance comparator as we consider it assists in evaluating the fund's performance and volatility from diverse assets against the performance and volatility of a single well-known asset class that UK investors are able to relate to (large UK companies) that the fund may have exposure to.

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Portfolio Activity

We spent the month reducing positions in US equity, particularly industrials, in favour of energy in Europe and the US. We also sold out of a number of positions where weakening share price momentum meant they no longer met our criteria. We were more active in fixed income than of late, reducing longer corporate dated bonds, in order to bring the duration of the portfolio lower

and therefore reduce exposure to higher yields.

Outlook

The current balance of improving growth, high levels of liquidity and still historically low bond yields remains very favourable for equity markets. The Fed's stance is likely to remain dovish at least for the near term and therefore, this environment is likely to persist for some time. The risk of course,

is that rises in bond yields put the brakes on the performance of the large-cap growth stocks that are so important to the indices.

We therefore, maintain our balance of reflationary beneficiaries in banks, materials and oils, which complement our thematic growth stocks, that we have held for some time. As always, we are very alert for any changes in these trends.

Risks

The value of investments may fluctuate which will cause fund prices to fall as well as rise and investors may not get back the original amount invested.

The performance information presented in this commentary relates to the past. Past performance is not a reliable indicator of future returns.

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

Forecasts are not reliable indicators of future returns.

For funds investing globally, currency exchange rate fluctuations may have a positive or negative impact on the value of your investment.

Investments in emerging markets are potentially higher risk than those in established markets.

Changes in the interest rate will affect the value of, and the interest earned from bonds held by the Fund. When interest rates rise, the capital value of the Fund is likely to fall and vice versa.

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Important Information

For Investment Professionals only. Not for onward distribution. No other persons should rely on any information contained in this document.

Source of performance data: FE, as at 31.01.2021. On 30 November 2020, this fund moved from a single pricing basis (mid) to a swing pricing basis, which 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. Performance is shown net of fees with income reinvested. Source for other data: Premier Miton Investors and Bloomberg as at 31.01.2021.

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For your protection, calls may be monitored and recorded for training and quality assurance purposes.

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.

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