

MITON GROUP PLC
HALF YEAR TRADING UPDATE

Miton Group plc (the 'Company' or 'Group'), the AIM quoted fund management group, today announces a trading update for its half year ended 30 June 2016, together with an update of its unaudited statement of Assets under Management ('AuM') as at 30 June 2016.

Highlights

- AuM at 30 June 2016 was £2,542m (31 December 2015: £2,784m)
- Average AuM over the six month period was £2,792m (6 months to 30 June 2015: £2,140m)
- The unaudited gross revenue for the six month period was £12.2m (6 months to 30 June 2015: £10.4m)
- Significant net inflows in the first quarter saw AuM rise to £3,032m at 31 March 2016. These inflows were offset in the second quarter primarily due to the outflows experienced on the CF Miton UK Value Opportunities Fund. The AuM on this fund has fallen from £783m to £388m at 30 June 2016.
- Andrew Jackson joined the Group on 27 June 2016 and assumed responsibility for the management of the CF Miton UK Value Opportunities Fund from 1 July 2016.
- The average net revenue margins continue to be at least at the same level as achieved in 2015.
- Underlying costs in the first half were in line with the comparable period in 2015.
- Half year cash balances remain strong at £17.4m (31 December 2015: £14.1m) after payment of the annual dividend and bonuses in H1.
- Trading for the full year is expected to be in line with market expectations.

Assets under Management

	Opening AuM 1 Jan 2016 £m	Net Flows £m	Market / investment performance £m	Closing AuM 30 June 2016 £m
Equity funds	1,834	(101)	(135)	1,598
Multi-asset funds	477	(17)	18	478
Total funds	2,311	(118)	(117)	2,076
Investment trusts	473	28	(35)	466
Total	2,784	(90)	(152)	2,542

Progress

- The CF Miton UK Multi Cap Income Fund saw continued net inflows over the half year with AuM rising from £586m to £641m at the end of June.
- The CF Miton European Opportunities Fund was launched on 14 December 2015 and has achieved significant traction with AuM at the half year of £65m.
- The CF Miton US Opportunities Fund now has a three year track record and continues to deliver strong performance remaining in the first quartile of its sector since launch. The AuM increased from £129m at the year end to £184m at the end of June.
- The Miton UK MicroCap Trust built on its successful launch last year. In February 2016 it undertook a C share issue raising further gross proceeds of £28m.
- The CF Miton Total Return Fund was identified as economically unviable due to its size and as unlikely to reach critical mass. It was therefore deemed to be in the best interests of the investors to wind up the fund. This was completed on 17 May 2016. The Multi-Asset¹ range now comprises three clearly positioned outcome-based funds for long-term savers.
- The process of streamlining the business continued. The Group completed the transition of the Miton Income Fund to the operating model adopted for all our other open ended funds. The Group now operates as the investment manager to ten open ended schemes and as the AIFM to four investment trusts.

Gervais Williams, Managing Director of Miton Group, commented:

“The Group is well positioned with a range of first class funds to deliver performance for our clients and create value for our shareholders. By continuing to deliver distinctive strategies for our clients through genuinely active management and clear communication we will build on the strong foundations that have now been established.”

Fund Manager Retention

The Board recognises the importance of ensuring the retention and reward of high quality individuals as a key part of the overall strategy for growth. The current fund manager retention and incentive arrangement will be discontinued as the principal reward and retention mechanism for new fund managers and for those where no value has been accrued to date. The Board is putting in place, from the second half of 2016, a new remuneration structure which is better aligned to current market practice. It will not require the issuance of Miton Group plc shares.

Outlook

Markets have been particularly unsettled by the outcome of the EU Referendum vote and from the previous market set-back at the start of 2016. As a Group we are, and remain, primarily focused on providing our services to UK investors and we do not currently rely on passporting UK domiciled funds to overseas markets to maintain our results.

Many of our funds and investment trusts continue to be well positioned to generate attractive returns for investors and we will endeavour to take advantage of changing market trends. The business is looking to regain its asset growth momentum building on the current profitable foundations.

Ian Dighé, Chairman of Miton Group, commented:

“We continue to focus on the operational strength of our business to plan for future AuM growth and ensure the continued prosperity of the Group.”

¹ CF Miton Cautious Multi Asset fund, CF Miton Defensive Multi Asset fund and the MI Miton Cautious Monthly Income Fund

END

Embargoed until 7am on 22 July 2016

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Notes to Editors:

Miton Group plc (referred to as the "Company" or "Group"), is an equity and multi-asset fund management specialist. As at 30 June 2016 the Group managed £2,542 million of assets including eight OEICs, two unit trusts and four investment trusts under the Miton brand.