



24 January 2014

Miton Group plc

**YEAR END TRADING UPDATE
DIRECTORATE CHANGES
NOTICE OF RESULTS**

Miton Group plc (the “Company”, Miton or “Group”), the AIM quoted fund management group, today announces a trading update for its financial year ended 31 December 2013, directorate changes and notice of its final results.

Highlights

- £3.1bn of Assets under Management (‘AuM’) at 2013 year end (2012: £1.8bn); reflecting acquisition of PSigma (£0.75bn of AuM) and organic growth (£0.55bn)
- Adjusted Profit* before tax for the year ended December 2013 in line with expectations upgraded in September
- Year end net cash balances of £11.2m (2012: £12.0m)
- Proposed sale of Liverpool fund management business to Seneca Investment Managers Limited for a total of up to £6.4m; £3.5m up front plus an amount representing the net assets of the business at completion (estimated to be around £1.9m) payable by the later of three months after completion or 30 June 2014 and a potential deferred payment of up to £1.0m (see separate announcement issued today)
- Well-positioned for the coming year with accelerating momentum:
 - Diversified business with nearly half of AuM in defensively positioned multi-assets funds
 - The success of the Diverse Income Trust plc & CF Miton UK Multi Cap Income franchise has highlighted the distinctiveness of the Group’s post credit boom philosophy for our UK equity strategies
 - Three new equity funds have attained more than £50m of AuM each, an important milestone and are delivering good performance
 - PSigma acquisition brings greater scope to expand our UK Income franchise
 - Additional scaling up of sales and marketing team with two further regional salesmen appointed over the year end
 - Scalable operational systems established with Bloomberg AIM now installed across the Group
 - Integrated equity investment teams now based in new offices in Moorgate
 - New fund manager retention scheme represents a competitive package to help retain current teams and attract further high-profile personnel in future

- Although AuM may initially be reduced by the proposed disposal (£450m as at 31 December 2013), the accelerating momentum gives greater confidence in improved results in the current year.
- Directorate changes: Jim Davies is appointed a non-executive director; Graham Hooper resigning as a director

Financials

The Board expects Adjusted Profit* before tax for the year ended 31 December 2013 to be in line with market expectations of £4.5m, as upgraded at the half year results. Total cash at the year-end stood at £11.2m (2012: £12.0m).

Overall assets under management at 31 December 2013 were £3.1 billion (2012: £1.8bn), which, after excluding the PSigma acquisition, represents an underlying increase of 31% during the year.

	Opening AuM 1 Jan 2013 £m	Inflows £m	Outflows £m	Net Flows £m	Market Movement £m	Acquisition £m	Unaudited Closing AuM 31 Dec 2013 £m
Funds	1,495	688	(435)	253	136		1,884
Investment trusts	206	97		97	77		380
Other	85					749	834
Total	1,786	785	(435)	350	213	749	3,098*

Note: The table includes Liverpool assets amounting to £450m, currently subject to proposed sale.

Funds

- The Miton branded equity income franchise (comprising the CF Miton UK Multi Cap Income Fund and the Diverse Income Trust plc) grew from £166.5m at the start of the year to £631.4m by the end of the year. Specifically, CF Miton UK Multi-Cap Income grew from £49m at the end of 2012, to £370.2m at the end of 2013, as clients appreciated its distinctive positioning, superior performance and lower than average volatility. The fund soft closed in December to protect performance for underlying investors.
- Three new equity funds have each grown to £50m – the CF Miton UK Smaller Companies fund was launched in December 2012, and the CF Miton US Opportunities fund and the CF Miton UK Value Opportunities fund were both launched in March 2013.
- The defensive stance of most of the Group's multi asset funds led to some outflows with their AuM 5% lower in aggregate at the year end.

PSigma Integration

- The UK fund management teams of Miton London and PSigma are now integrated in the Group's new London offices in Moorgate.
- Gervais Williams has been added to the management team of the PSigma Income Fund, alongside Bill Mott and Eric Moore.
- The PSigma Income Fund was recently reconfirmed in the Hargreaves Lansdown Wealth 150.

Scalable systems

- Piers Harrison joined the Group from Neptune in the second half of the year as Director of Operations and Risk Management for the regulated companies. He oversaw the roll-out of the new Bloomberg AIM system across the Group and managed the move into the Group's new London premises.
- The new Bloomberg AIM system not only raises operational and control standards further but also puts the Group in a better position to win additional investment mandates.

Fund Manager Retention Scheme

- The fund manager retention scheme was approved by shareholders in November and has now been implemented.
- Successful fund managers growing assets under management within a profitable operation will accumulate significant value over the longer term.
- The scheme will help the Group attract further high-profile additions to the investment team in time.

Outlook

We are pleased that the distinctiveness of Miton's investment strategies is becoming more widely recognised. As we enter 2014, our post credit boom equity range of funds has been greatly enhanced with the addition of PSigma Income, and the strong performance of our three new equity funds. In addition, if market conditions become more challenging, the defensive positioning of funds such as CF Miton Strategic and CF Miton Special Situations will become very relevant for clients. Although AuM may initially be reduced by the proposed disposal, the accelerating momentum gives greater confidence for improved results in the current year.

Directorate Changes

Jim Davies appointed Non-Executive Director

The Board is pleased to announce the appointment of Jim Davies as a Non-Executive Director of Miton Group plc. At the AGM Jim will also take on the responsibility of Senior Independent Director, a role currently undertaken by Nick Hamilton.

Jim Davies was Managing Partner of law firm DWF which he co-founded in 1977. DWF has subsequently grown to be a national practice of 14 offices employing over 2,400 people. Jim has outstanding business development and management skills. The Board looks forward to his contribution to the future development of the Group.

James Christopher Meredith Davies (age 67) has been a director of the following companies during the past five years:

Current

The Quiet Consultancy Limited
Miton Capital Partners Limited
Park Prepayments Trustee Company Limited
The Liverpool and Merseyside Theatre Trust Limited
Dot Art Services CIC
Golf at Red Rocks Limited
Signbrick Limited
Imagine Promotions Limited

Past 5 years

Alder Hey Promotions Limited
DWF Services Limited
Liverpool Construction Crafts Guild
Lex Nominees Limited
Parkway Land Limited
James Berg Limited
Maritime Park Developments Limited

Liverpool Construction Crafts Guild, Lex Nominees Limited, Parkway Land Limited and James Berg Limited were all placed into members' voluntary liquidation and all creditors were satisfied in full.

Maritime Park Developments Limited, a special purpose vehicle set up to develop a specific property, was placed into creditors' voluntary liquidation on 28 November 2011 following an application of the directors to the Court. Bank of Ireland took possession of the property in accordance with the provisions of their original loan agreement and some other creditors were not repaid in full. The company is due to be formally dissolved on 8 April 2014.

There are no further disclosures to be made in accordance with Schedule Two paragraph (g) of the AIM Rules in connection with Jim Davies' appointment to the Miton Group plc board.

Graham Hooper resigning as Director of Miton Group plc

Graham Hooper, Distribution Director, will be resigning as a Director of the Group with effect from 31 January 2014 but remaining as an employee until 31 March 2014. Graham joined the Board at a critical time in March 2011 when the Group was refinanced and became wholly focused on asset management. His contribution has been significant through establishing a strong sales, marketing and distribution team that has transformed the trajectory of AuM growth within Miton. He leaves the Board with our gratitude and we wish him well in all his future business endeavours.

Notice of final results

The Board expects to announce the Group's final results for the year ended 31 December 2013 on 24 March 2013.

Ian Dighé, Executive Chairman of Miton Group plc, said:

"Miton is gaining recognition for anticipating the changing markets trends as we move beyond the credit boom. Over the last three years the Group has been making itself ready to take on a growing number of clients in the coming years. I believe Miton has an extraordinarily strong team of client facing staff, and with our distinctive positioning we are well-placed to deliver real value for our growing client bases."

**Adjusted Profit represents profit before amortisation, exceptionals and taxation.*

END

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Note to Editors:

Miton Group plc is a leading multi-asset and equity fund management specialist. As at 31 December the Group managed £3.1 billion of assets including eleven OEICs, three unit trusts, four investment trusts and segregated client accounts under the Miton and PSigma brands. Members of the fund management team invest in their own funds and are significant shareholders in the company. Miton has offices in Reading, Liverpool and London.