

23 January 2015

Miton Group plc
Year End Trading Update
Notice of Results

Miton Group plc (the “Company” or “Group”), the AIM quoted fund management group, today announces a trading update covering the financial year ended 31 December 2014 and notice of its final results.

Key Points

- Assets under Management (‘AuM’) were £2,050m at 2014 year end (2013: £3,098m). The reduction includes £438m of AuM relating to the sale of the Liverpool business.
- Adjusted Profit* before tax for the year is in line with expectations.
- Cash balances were £15.2m equating to approximately 8.8p per share (2013: £11.2m). The Company expects to continue to pay a good and growing dividend.
- Whilst retaining their commitment to capital preservation, David Jane and his team have delivered a major turnaround in the performance of our Multi-asset funds.
- The Miton Income Fund (formerly the PSigma Income Fund) has delivered much improved performance within the Miton stable. It is currently first quartile over the last year.
- As markets have become more challenging, the differentials of our fund strategies have become more relevant. The business is focused on achieving AuM growth in the current year.

David Jane, Fund Manager said: “We have received tremendous support from all parts of the Group. There is a huge opportunity here at Miton.”

Assets under Management

There was a reduction of £438m of AuM with the sale of our Liverpool business at the end of the first quarter. During the year, Miton appointed David Jane to run our multi-asset funds and acquired the £46m Darwin Fund he previously set up. We also acquired the £61m Matterley Undervalued Fund from Charles Stanley that was previously co-managed by George Godber.

The adverse performance in our multi-asset funds led to a sharp increase in redemptions towards the end of H1. Since then the major improvement in performance has gradually reversed the trend in redemptions and will bring renewed inflows in time. Net outflows in the period were £503m.

Following the PSigma acquisition in July 2013, Miton Income has enjoyed greatly improved performance. However, the July 2014 announcement of Bill Mott’s retirement triggered the loss of a £330m segregated mandate and two sizable redemptions from the Miton Income Fund.

Over 2014, Miton funds attracted £708m of gross inflows. In the current year, we have a wider range of funds that are well placed to deliver attractive returns for clients. In addition, we are developing initiatives to set up new funds with distinctive Miton strategies.

Funds Flow Summary

	Opening AuM 1 January 2014 £m	Inflows £m	Outflows £m	Net flows £m	Other (including market) £m	'Liverpool' sale on 31 March 2014 £m	Closing AuM 31 December 2014 £m
Equity funds and investment trusts	1,287	606	(474)	132	84	(56)	1,447
Multi-asset funds	1,373	102	(605)	(503)	21	(288)	603
Total funds	2,660	708	(1,079)	(371)	105	(344)	2,050
Segregated	438	–	(330)	(330)	(14)	(94)	-
Total	3,098	708	(1,409)	(701)	91	(438)	2,050

Outlook

Three years ago Miton first highlighted to clients how world growth could slow in spite of exceptionally low interest rates, considerable budget deficits and major injections of liquidity into asset markets via Quantitative Easing. The major falls in commodity prices underline just how much expectations for world growth have now moderated.

Miton's strategies are specifically positioned to take full advantage of these changing market trends to deliver premium returns. The Group is wholly focused on achieving considerable growth in AuM over the coming years.

Notice of final results

The Board expects to announce the Group's final results for the year ended 31 December 2014 on 30 March 2015.

Ian Dighé, Chairman of Miton Group commented: "In 2014 we addressed the two constraints to our growth, by selling the Liverpool business and by appointing David Jane and his team to manage our multi-asset funds. Despite these constraints we attracted gross fund inflows of £708m. In 2015 we have a broader range of funds from which to deliver growth in AuM."

** Adjusted Profit before Tax represents profit before amortisation, exceptionals, taxation and a VAT adjustment of £185,000 relating to prior years.*

END

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Note to Editors:

Miton Group plc is a leading multi-asset and equity fund management specialist based in London. The Group manages £2.1 billion of assets including eleven OEICs, three unit trusts and three investment trusts under the Miton brand. Members of the fund management team invest in their own funds and are significant shareholders in the company.