

25 July 2014
Miton Group plc

HALF YEAR TRADING UPDATE NOTICE OF RESULTS

Miton Group plc ('the Company', 'Miton' or 'the Group'), the AIM quoted fund management group, today announces a trading update for its half year ended 30 June 2014 together with an update of its unaudited statement of assets under management ('AUM') as at 30 June 2014.

Highlights

- Net AuM inflows of £29m, with Equity Funds attracting inflows of £212m offset by outflows from the defensively positioned Multi-Asset Funds.
- £2.6bn of AuM as at 30 June 2014 following the sale of £438m AuM in Miton Capital Partners Limited ('MCPL') which completed on 31 March 2014. Like-for-like AuM comparatives with current group constituents would have been £2.3bn as at 30 June 2013 and £2.6bn as at 31 December 2013.
- The Board expects Adjusted Profit Before Tax¹ for the six months ended 30 June 2014 to be well ahead of the prior year, consistent with expectations.
- Half year cash balances increased to £16.2m (31.12.13: £11.2m) after payment of bonuses and final dividend but including £3.5m net cash received from the disposal of MCPL.
- New multi-asset management team led by David Jane has started well since joining Miton on 9 June.

Assets under management

Assets under management at 30 June 2014 were £2.6 billion (31.12.13: £3.1bn) and average AuM over the six months were £2.9bn. This reduction was attributable to the disposal of MCPL on 31 March 2014.

	Opening AuM 1 Jan 2014 £m	Inflows £m	Outflows £m	Net Flows £m	Market £m	MCPL disposal on 31 March 2014 £m	Closing AuM 30 June 2014 £m
Equity funds	907	365	(203)	162	17	-	1,086
Multi-asset funds	1,373	75	(258)	(183)	(54)	(288)	848
Total funds	2,280	440	(461)	(21)	(37)	(288)	1,934
Investment trusts	380	50	-	50	(6)	(56)	368
Other	438	-	-	-	(3)	(94)	341
Total	3,098	490	(461)	29	(46)	(438)	2,643

Equity funds & investment trusts

Strong fund flows into UK Smaller Companies² and UK Value Opportunities² offset outflows from our Multi-Asset Funds. Encouragingly the Diverse Income Trust plc raised a further £50m C share issue in June so the trust has now grown to exceed £300m.

At the end of last year Gervais Williams joined Bill Mott and Eric Moore³ on the team to manage the PSigma Income fund. In the first half of 2014 the fund delivered first quartile performance. Earlier this month Bill Mott indicated that he would like to retire from the group at the end of the year. Any decrease in the AuM of the PSigma funds prior to June 2015 would lead to a commensurate reduction in the final consideration payment.

Multi-Asset Funds

David Jane and two colleagues joined Miton on 9 June to manage the Group's multi-asset funds. David has a long history of providing investors with outcome-driven strategies highlighting capital preservation and the delivery of real returns over the medium term. Outflows from our Multi-Asset Funds are expected to moderate in time. Early feedback from our client base has been encouraging.

The proposed acquisition of Darwin Investment Managers Limited ('Darwin'), which is majority owned by David Jane, is expected to complete on or around 30 September 2014, at which time the PFS Darwin Multi Asset Fund will be integrated into the Miton Group. This fund currently has AuM of £47m.

MCPL Disposal

The MCPL disposal in March gave rise to an exceptional loss on sale of £10.3m as a result of a £16m non-cash reduction in goodwill and intangible assets offset by consideration received.

Outlook

The Group has been decisive in the first six months of the year with the sale of the Liverpool business and the appointment of David Jane and his team to manage and develop our multi-asset funds. With all the investment teams and operations now brought together in our London office, the Group is continuing to enjoy rising profitability and cash generation.

Notice of Results

Miton will announce its half year results to 30 June 2014 on Thursday, 25th September 2014.

Ian Dighe, Executive Chairman of Miton Group commented:

"In the first six months Miton successfully addressed two key objectives with the sale of the Liverpool business and the appointment of David Jane to manage our multi-asset funds. Miton is in a strong position with a highly regarded roster of fund managers, a rising profile amongst our clients, scalable systems and growing profitability and cash generation."

¹Adjusted Profit Before Tax represents profit before amortisation, exceptionals and taxation.

²The full names of the UK Smaller Companies and UK Value Opportunities funds are CF Miton UK Smaller Companies Fund and CF Miton UK Value Opportunities Fund as set out on the fund fact sheets.

³Bill Mott and Eric Moore joined the group last year following the acquisition of PSigma Asset Management with the consideration phased over two years to June 2015.

END

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Notes to Editors:

Miton Group plc (referred to as the "Company", "Miton" or "Group"), is a leading multi-asset and equity fund management specialist. As at 30 June 2014 the Group managed £2.6 billion of assets including nine OEICs, three unit trusts, three 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.

What Investment Unit Trust Awards 2014

Best Fund Group – Miton
Best New Launch – CF Miton UK Value Opportunities
Fund Manager of the Year – Gervais Williams