

# Premier Miton Global Renewables Trust plc

## Objective

The Company's investment objectives are to achieve a high income from, and to realise long-term growth in the capital value of its portfolio. The Company seeks to achieve these objectives by investing principally in equity and equity related securities of companies operating primarily in the renewable energy sector, as well as other sustainable infrastructure investments.

## Awards and ratings



Ratings are not a recommendation. Please see page 4 for further information.

## Key facts

Gross assets	£37.4m
No. of holdings	38
Domicile	United Kingdom
Launch date	04 Nov 2003
Reporting dates	Final - 31 Dec Interim - 30 Jun
ISA eligible	Yes
Continuation vote	2025 and every 5 years thereafter
AIC sector	Infrastructure Securities
Performance comparator	S&P Global Clean Energy Index (GBP)

## Trust manager



**James Smith**  
 Joined Premier Miton  
**Jun 2012**  
 Manager since  
**Jun 2012**

## Directors

Gillian Nott (Chairman),  
 Victoria Muir,  
 Melville Trimble

## Manager commentary

February saw a continuation of the Trust's difficult start to 2024. A combination of higher government bond yields and lower power prices hurt sentiment for renewable energy generators. Note that a bond yield represents the prospective financial return on a bond based on its market price. When valuing a company, bond yields are often used to discount future cash flows to a current valuation, and the higher the yield used, the lower the implied current valuation, and hence share prices may be weaker.

The portfolio's holdings in European generators were very weak, in particular those listed in Germany (RWE) and Spain (Acciona, Grenergy, and Solaria) reflecting lower power prices. US company share prices also fell, although this could be attributed primarily to negative sentiment caused by upward pressure on bond yields.

There was weakness also among some of the larger UK based holdings, notably NextEnergy Solar Fund and Drax. 2024 will be a potentially pivotal year

for the latter, and the UK Government is currently engaged in a consultation process, regarding the possibility of extending Drax's existing trading arrangements (or similar) until such time as the company's carbon capture units are complete, which will be remunerated under a separate long-term contract. Carbon Capture involves the capture of carbon dioxide (CO<sub>2</sub>) emissions from industrial processes. This CO<sub>2</sub> is then transported from where it was produced, via ship or in a pipeline, and stored deep underground in geological formations.

The current trading situation marks something of a contrast to the past couple of years. A very mild winter, in both the US and Europe, has led to surplus LNG (liquefied natural gas) volumes, which has reduced gas prices and by implication electricity prices. Further, industrial demand remains well below historic levels.

**James Smith**  
 29.02.2024

## Performance over 10 years (%)



Cumulative performance (%)	1m	3m	1y	3y	5y	10y
■ Ordinary share price	-17.66	-8.73	-29.76	-29.71	7.04	11.31
■ NAV	-11.21	-12.09	-32.71	-23.28	9.97	10.94
■ S&P Global Clean Energy Index (GBP)	0.60	-1.25	-29.66	-37.51	63.35	99.75

Calendar year performance (%)	2019	2020	2021	2022	2023	YTD
Share price	38.29	31.00	30.74	-17.70	-19.23	-18.35
NAV	38.97	28.68	26.90	-12.31	-13.55	-22.61
S&P Global Clean Energy Index (GBP)	39.48	134.59	-22.48	7.25	-24.61	-10.23

Discrete annual performance (%)	28.02.19 28.02.20	28.02.20 26.02.21	26.02.21 28.02.22	28.02.22 28.02.23	28.02.23 29.02.24
Share price	14.71	32.75	11.71	-10.42	-29.76
NAV	9.16	31.32	23.90	-7.97	-32.71
S&P Global Clean Energy Index (GBP)	36.19	91.95	-14.69	4.14	-29.66

Source of performance data: Morningstar, as at 29.02.2024, net income reinvested, bid to bid basis, Index on a total return basis. ©2024 Morningstar. All Rights Reserved. The information contained herein; is proprietary to Morningstar and/or its content providers; may not be copied or redistributed; and is not warranted to be accurate, complete or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information.

**Key risks:** The value of investments may fluctuate which will cause fund prices to fall as well as rise and investors may not get the original amount invested. The performance information presented on this page relates to the past. Past performance is not a reliable indicator of future returns. Reference to any stock or fund is not a recommendation for investment purposes. More information about the risks of investment is provided later in this document.



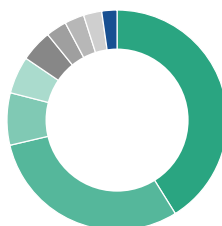
## Portfolio breakdown

### Top 10 holdings (%)



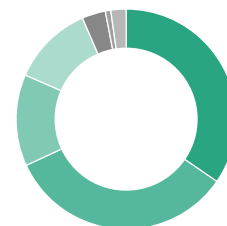
Greencoat UK Wind	7.7
NextEnergy Solar Fund	6.2
Octopus Renewables Infrastructure Trust	6.0
Clearway Energy A Class	6.0
Drax Group	5.5
Aquila European Renewables Income Fund	5.1
Bonheur	4.3
SSE	4.3
RWE	4.3
Foresight Solar Fund	4.1

### Sector (%)



Yieldcos & investment companies	41.1
Renewable energy developers	30.2
Renewable focused utilities	7.7
Biomass generation and production	5.5
Energy storage	4.7
Electricity networks	3.1
Renewable technology and service	2.9
Renewable financing and energy efficiency	2.7
Cash/Net Current Assets	2.2

### Geographic (%)



United Kingdom	34.6
Europe (ex UK)	33.5
Global	13.5
North America	11.9
Latin America	3.4
China	0.8
Cash	2.2

## Income (ordinary shares)

**Dividend yield** 7.55%

The historic yield reflects the distributions declared over the past twelve months as a percentage of the trust price as at the date shown. It does not include any preliminary charge and investors may be subject to tax on their distributions.

**The yield is not guaranteed and will fluctuate.**

**Revenue reserve** 7.58p per share as at 31.12.2023

**Expected payment dates** Jun, Sep, Dec, Mar

### Income distribution (pence per share)

Total income distributions in each of the trust's last 6 financial years.

	1st Interim	2nd Interim	3rd Interim	4th Interim	Total
2023	1.85p	1.85p	1.85p	-	5.55p
2022	1.75p	1.75p	1.75p	1.75p	7.00p
2021	1.75p	1.75p	1.75p	1.75p	7.00p
2020	2.50p	2.50p	2.50p	2.70p	10.20p
2019	2.50p	2.50p	2.50p	2.70p	10.20p
2018	2.00p	3.00p	2.50p	2.70p	10.20p

Dividend rebased following refinancing of ZDP shares on 30.11.2020; for further details see the trust's annual report for 2020.

## Share class information

### Ordinary shares

Shares in issue	18,238,480
Gearing	44.56%
Share price	96.75p
NAV	113.65p
Premium/(Discount)	(14.87)%
ISIN	GB0033537902
SEDOL	3353790
Bloomberg	PMGR LN

### ZDP shares

Repayment date	28 Nov 2025
Share price	110.50p
NAV	117.18p
Premium/(Discount)	(5.70)%
Shares in issue	14,217,339
Redemption value	127.61p
Gross redemption yield	8.59%
Hurdle rate	-33.29%
Cover	1.93x
ISIN	GB00BNG43G36
SEDOL	BNG43G3
Bloomberg	PMGZ LN

## Charges

**Ongoing charges figure (OCF)** 1.81% as at 31.12.2023

The ongoing charges figure (OCF) is not the same as the ongoing costs figure set out in the Company's Key Information Document. The key differences are that gearing costs and portfolio transaction costs are not included in the OCF. In addition costs are calculated on slightly different bases. The OCF figure set out above mirrors that in the Report and Accounts and is based on costs incurred in the year which are likely to recur in the foreseeable future. The ongoing costs figures in the Key Information Document provide investors with the impact costs have had on returns averaged over the five year recommended holding period.

**Management fee** 0.75%

The annual management fee is charged 60% to capital, 40% to revenue.

**Transaction costs** 0.77%

The impact of the costs of the Company buying and selling underlying investments, based on the methodology used in the Key Information Document.

For more information about the impact of costs and charges on your investment, please read the Key Information Document.



## General risks

All types of investment carry a degree of risk. It is possible you could lose some, or all, of the money you invest. The level of risk varies depending on the type of investment.

Typically, you are less likely to lose money over the long term from an investment that is considered low risk, although potential returns may also be lower. Investments considered higher risk typically offer greater opportunities for better long-term returns, though the risk of losing money is also likely to be higher.

When you invest, it is important that you understand the risk to your money and are comfortable with that level of risk. If you are unsure, we would recommend that you consult a financial adviser.

Past performance of an investment is not an indication of how it will perform in the future. The value of your investment and any income generated by your investment can go down as well as up, and you could get back less than you invested.

The value of your investment might not keep up with any rise in the cost of living.

You could lose money if financial markets fall.

There is no guarantee that the investment objective of the trust will be achieved.

The levels of taxation that apply to income or capital gains from the trust, including any tax relief that may be available, will depend on your personal tax situation.

Trusts with similar objectives may not perform in the same way as they are likely to have different holdings or hold different amounts of the same investment.

Performance will be affected by investment decisions made by the fund managers.

## Other risks

Some of the main specific risks of investing in this trust are summarised here.

### Currency

Where investments in a trust are denominated in currencies other than sterling (for example, if a trust holds assets priced in euros), its value will be affected by changes in the relevant exchange rate. Certain other investments, such as the shares in companies with profits from other countries, will also be affected.

### Dividends

In certain market conditions companies may reduce or even suspend paying dividends until conditions improve. This will impact the level of income distributed by the Trust.

### Emerging markets

Investments made in bonds, equities or other assets in less-developed countries generally carry higher risk than in developed countries.

### Equities

Equities (shares) can experience high levels of price fluctuation.

### Fixed interest securities

Government and corporate bonds generally offer a fixed level of interest to investors, so their value can be affected by changes in interest rates. When central bank interest rates fall, investors may be prepared to pay more for bonds and bond prices tend to rise. If interest rates rise, bonds may be less valuable to investors and their prices can fall.

### Gearing / leverage

Trusts that use gearing / leverage (this can be achieved by the use of derivatives) can experience significantly higher price fluctuations.

### Inflation

Higher inflation can lead to some investments falling in value, particularly those with a fixed level of interest, for example government bonds and corporate bonds.

### Infrastructure

Investments are often in large-scale projects whose profitability can be affected by supply problems or rising prices for raw materials or natural resources. Changes in the wider economy and government regulation can also have a significant influence.

### Interest rate

Changes in central bank interest rates can affect all types of assets, in particular, securities such as government bonds and corporate bonds that generally offer a fixed level of interest. If interest rates go up, the value of a bond may fall, and vice versa.

### Issuer credit

There are times when the issuer of a security (for example, a company that has issued a bond) is unable to make income payments or repay its debt. When this happens it can result in losses for the trust.

### Legal and tax

The income or capital gains from investments can sometimes be affected by

changes in legal and tax regulations or how these rules are applied.

### Liquidity

In some instances, for example, when market conditions generally are difficult, holdings in a trust may be difficult to sell and buy at the desired price. The trust value could fall as a result.

### Non-investment grade bonds

Bonds with a higher risk that the bond issuer might not meet its income or repayment obligations, as assessed by independent bond rating companies.

### Operational

Processes, systems and controls around your investment might fail. The more complex or unusual the investments that the trust holds, the more likely this is to happen. For example, developing markets may have less reliable systems or lower standards of governance than more developed markets.

### Renewable energy sector concentration

Trusts that invest in specific sectors or industries may carry a higher risk and display greater volatility than trusts with a more diversified portfolio.

### Smaller companies

Investment in smaller companies is typically higher risk than investment in larger companies. Shares in smaller companies can experience greater levels of volatility.

## Ratings, awards and other information

The methodology and calculations used by the third parties providing the ratings/awards are not verified by Premier Miton Investors and we are unable to accept responsibility for their accuracy, nor should they be relied upon for making an investment decision.

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## Glossary

### Annual management charge (AMC)

The yearly fee paid to Premier Miton for managing a trust, expressed as a percentage of your investment. The AMC does not typically change from year to year.

### Assets

Different groups of investments such as company shares, bonds, commodities or property.

### Bonds (or fixed income)

Types of investments that allow investors to loan money to governments and companies, usually in return for a regular fixed level of interest until the bond's maturity date, plus the return of the original value of the bond at the maturity date. The price of bonds will vary and the investment terms of bonds will also vary.

### Capital

Describes financial assets, particularly cash, or other assets, such as shares, owned by a person or organisation.

### Capital growth

The increase in the value of an asset or investment over time, measured by its current value compared to its purchase cost.

### Collective Investment Schemes

A generic term for investment funds with more than one investor, such as unit trusts, Open Ended Investment Schemes (OEICs) and investment trusts.

### Commodities

These are natural resources such as gold, oil, gas, metals or agricultural products that have practical uses and can be bought and sold on financial markets.

### Discount

The shares of investment trusts can have a price below the value of their net assets,

this difference is known as the discount. The shares can also be at a premium to their net assets.

### Dividends

The portion of its capital that a company chooses to return to its shareholders. For a trust, this is the payment of trust's income to its shareholders.

### Equities

Another name for shares (or stock) in a company.

### Futures

These are financial contracts that obligate the parties to transact an asset at a predetermined future date and price. The buyer must purchase or the seller must sell the underlying asset at the set price, regardless of the current market price at the expiration date. Futures can be traded up until their expiry date on futures markets.

### Gearing

The level of a company's debt in relation to its capital. A company with significant debt compared to its capital is considered to be highly geared.

### Individual Savings Account (ISA)

A type of tax-free scheme, set up by the government, designed to help people make the most of their savings and investments. All income and gains from an ISA investment are exempt from UK Income Tax and Capital Gains Tax. HM Revenue and Customs sets the maximum amounts that you are allowed to invest into an ISA each tax year.

### Net Asset Value (NAV)

The total of a company's assets minus its liabilities. The net asset value per share is the total of a company's assets minus its

liabilities divided by the number of shares in issue.

### Ongoing Charges Figure (OCF)

As recommended by the Association of Investment Companies in its guidance, ongoing charges are the Company's annualised revenue and capital expenses (excluding finance costs and certain non-recurring items) expressed as a percentage of the average monthly net assets of the Company during the year. Please note this figure is different to what is stated in the PRIIPS KID.

### Revenue reserve

An investment trust has to pay a minimum of 85% of the income it receives each financial year to shareholders, usually via a dividend. Up to 15% can be retained in a revenue reserve account to be paid in the future.

### Total return

A way of showing how an investment has performed, and is made-up of the capital appreciation or depreciation and includes any income generated by the investment. Measured over a set period, it is expressed as a percentage of the value of the investment at the start of that period.

### Share price yield

The dividend per share divided by the stock's or fund's price per share and expressed as a percentage. The historic yield is the dividend income distributed during the past year and expressed as a percentage of the share price on a particular day.

## Corporate contacts

### Investment Manager

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A free, English language copy of the trust's full prospectus, the Key Information Document and Pre-investment Disclosure Document are available on the Premier Miton website, or you can request copies by calling us on 01483 306090.

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

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