



FUNDROCK

management company

**Miton Asset Management
Research Payment Account
– 2019 Budget**

MiFID II Research Payment Account

The revised Markets in Financial Instruments Directive (MiFID II) introduced new rules – effective 3 January 2018 – requiring investment managers to pay for investment research either from their own funds or via a research payment account (“RPA”) funded by an explicit client charge. In addition, research providers are required to price research separately from execution. These rules seek to increase the transparency of research costs for investors, reduce conflicts of interest where research is bundled with execution, and promote competition in the research market.

Historically, investment managers received investment research from third party research providers (such as brokers) together with trading services. The investment manager would typically make one payment covering both the research costs and other costs such as trading costs. This was referred to as ‘bundling’ because the research costs were bundled together with the cost of other trading services provided by the third party. Such costs may be passed on to a fund.

There is now a requirement for full ‘unbundling’ of such costs. This means that the cost of research must be charged separately or ‘unbundled’ from the cost of other services provided by the research provider. One of the aims of MiFID II is to make the costs that are passed on to investors clearer and more transparent.

MiFID II permits an investment manager to receive research from a third party research provider – and for the research to be paid for by a specific charge out of the assets of a fund, subject to certain requirements. One of the requirements is that the investment manager must set up a RPA from which payments for research will be made.

Miton Asset Management has set up an RPA which will be overseen by us, FundRock Partners Limited, as the authorised fund manager of the fund.

The 2019 Research Budget

Under MiFID II the investment manager must set up a budget for the purposes of establishing the amount needed for third party research in respect of a fund. Investors must be provided with information about the budget.

The research budget for the FP Miton Income Fund for the period 2 January 2019 to 31 December 2019 is £180,000 (VAT included). The pro rata research budget for the FP Miton Income Fund for the period 2 January 2019 to 31 March 2019 is £45,000.

Further information

For additional information please refer to the [prospectus](#) of the fund for a detailed overview on the RPA and the research budget. Alternatively, you may contact us on our Investor Helpline 01268 44 7403, between 9am and 5pm UK time, Monday to Friday (excluding public holidays in England and Wales) if you require further information.