Marketing communication

Premier Miton

Diversified Growth Fund Range

Quarterly update from 1 Jan 2026 to 31 Mar 2026

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Investing involves risk. The value of an investment can go down as well as up which means that you could get back less than you originally invested when you come to sell your investment. The value of your investment might not keep up with any rise in the cost of living.

Investment advice. Premier Miton is unable to provide investment, tax or financial planning advice. We recommend that you discuss any investment decisions with a financial adviser.

Further information on the risks of investment, and glossary terms, are at the end of this document.

Market overview

What a quarter it has been for financial markets. Geopolitics has once again been the key driver of returns across asset classes. Operation 'Epic Fury', which began at the end of February, has already significantly interrupted the supply of oil, gas and other crucial commodities. Disruption has been caused by the near total closure of the Strait of Hormuz, a narrow waterway, and strikes on key extraction, processing and refining facilities across the Gulf.

At the end of the quarter, the impact of the war had yet to fully feed through into inflation figures, but shortages of key materials were already in evidence across several economies in the Asia Pacific region. Unsurprisingly, equity markets globally were hit by the uncertainty resulting from the war.

Across Europe, equity markets - including in the UK - were particularly hurt by the continent's vulnerability to energy and inflation shocks. US equity markets were less impacted, partly because the US is a big producer of oil and gas and, in some ways, stands to benefit from the conflict as an exporter of energy.

Many investment themes that had been popular in the run up to the conflict unwound as investors, unsurprisingly, became more risk averse. Gold was a key example, with the price falling during the conflict as speculators sold their holdings. Expectations of higher inflation impacted the price of government bonds, which fell, causing bond yields to rise sharply.

Markets fluctuated based on the perceived likelihood of an imminent end to the conflict, with sentiment being driven by Trump's social media posts and comments by US officials. The quarter ended with little clarity on the resolution of the war.

Fund performance

The UK equity holdings enjoyed a good start to the year and proved quite defensive amid March's war-related declines in UK equity markets.

The war coincided with the announcement of 2025 profits and future outlooks from many of the companies held in the funds. Several holdings posted strong results which supported their share prices even as markets fell more broadly. Softcat, which is an IT infrastructure firm, is a good example here. The company posted both strong results and a positive outlook for the year.

For some time, the fixed income portfolio within the funds has been cautiously positioned. We have focused on bonds that are higher quality, and therefore less likely to default on their payment responsibilities, and those that have a shorter time until they mature and so are less sensitive to any potential interest rate changes. This served the funds very well as the Iran conflict saw investors rapidly change their view on the direction of inflation and interest rates for the year.

Unfortunately, this rapid change in expectations had a large negative impact on the performance of the fund's exposure to the property sector. Like bonds, the share prices of property companies can be vulnerable to changes to interest rates, particularly when interest rate expectations change quickly. The funds' holdings in property companies were therefore, unsurprisingly, a detractor from performance.

The funds' global (excluding the UK) equity portfolio was impacted by changes in the types of industry that performed well over the quarter. Companies involved in semi-conductor production enjoyed a strong start to the year, which benefited the funds. However, when the Iran conflict began, it was the energy related companies that performed better.

More information about how the funds have performed over different periods is available on the fund factsheets, or you can use our online performance charting tool which allows you to choose the time periods that you wish to show performance for. See the individual fund pages on the website.

Performance (%)	3 months to 31.03.2026	31.03.2021 - 31.03.2022	31.03.2022 - 31.03.2023	31.03.2023 - 31.03.2024	31.03.2024 - 31.03.2025	31.03.2025 - 31.03.2026
Diversified Cautious Growth Fund	**-3.52**	**4.76**	**-3.42**	**7.81**	**1.81**	**4.01**
IA Mixed Investment 20-60% Shares sector	-1.07	2.73	-4.80	7.71	3.71	8.79
Diversified Balanced Growth Fund	**-4.34**	**4.63**	**-3.77**	**10.11**	**1.15**	**3.75**
Diversified Growth Fund	**-4.83**	**6.12**	**-5.22**	**11.4**	**0.10**	**3.96**
IA Mixed Investment 40- 85% Shares sector	-1.87	5.23	-4.54	10.16	3.33	10.85
Diversified Dynamic Growth Fund	**-5.78**	**5.98**	**-4.32**	**12.83**	**0.10**	**3.02**
IA Flexible Investment Sector	-1.67	4.95	-4.03	10.08	2.92	12.07

The performance information presented on this page relates to the past. Past performance is not a reliable indicator of future returns.

Other share classes are available which may have higher or lower charges which will impact the returns of the funds. Fund factsheets are published on our website for each available share class.

Performance source: FE Analytics. Based on UK Sterling D income shares, on a total return basis. Performance is shown net of fees with income reinvested. On 20.01.2020, these funds moved from a single pricing basis (mid) to a swing pricing basis, which is where the price can swing to either a bid or an offer basis depending on the investment and redemption activity in the fund. This means the investor selling or buying fund shares bears the associated [dis]investment costs and protects the continuing holders in the fund.

The Diversified Growth Fund and Diversified Balanced Growth Fund are classified in the IA Mixed Investment 40%-85% Shares sector; the Diversified Cautious Growth Fund is classified in the IA Mixed Investment 20%-60% Shares sector; the Diversified Dynamic Growth Fund is classified in the IA Flexible Investment sector. We believe that these sectors are meaningful comparators to help investors assess the performance of the funds.

Portfolio activity

We made one asset allocation change over the period, which was to modestly increase the funds' exposure to property companies. At the time of the change, the macroeconomic environment looked favourable for the property sector, with inflation declining across developed economies, a high probability of multiple interest rate cuts in the UK, and the prospect of defence spending in Germany feeding into the economy.

Unfortunately, as discussed, the war upended these expectations and investors sold out of this sector. While we are still confident about the prospects for the property sector, we decided not to increase the funds' allocation any further, until there is greater clarity to the macro environment.

As ever there was lots of activity within the individual asset class portfolios. Perhaps the most significant change was an increase in the allocation to companies outside of the UK in the materials and energy sectors, complementing our existing holdings in those sectors in the UK. We believe that the conflict has fundamentally altered the medium-term prospects for these sectors and have adjusted the portfolios accordingly.

Outlook

Despite the announcement of a two week ceasefire at the time of writing, the ultimate outcome of the Iran war is still unknown. The US and Israel look set to bring yet more military pressure to bear on the regime.

Regardless of the result, enough economic damage has been done to believe that there will be an impact on inflation and economic growth this year. How great those impacts will be are still unclear, but the longer the conflict goes on, the more serious they are likely to be.

We believe a diversified portfolio is important in uncertain times and we will continue to carefully monitor the funds' allocation to different assets and sectors.

A key question at the moment is the extent to which the geopolitical and macroeconomic backdrop of the last few years will be long lasting. We are increasingly of the view that some of the trends are long lasting, such as an increased focus on defence and security of supply of energy, food and raw materials. Ensuring we are sufficiently exposed to these long-term trends will be a key focus in the months ahead.

The Premier Miton Diversified Fund Range Investment team

Risks of investing

Typically, there is less risk of losing money over the long-term (which we define as over 5 years) 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.

Some of the main specific risks of investing in these funds are summarised here. Further detail is available in the prospectus for the funds.

Fixed income investments, such as bonds, can be higher risk or lower risk depending on the financial strength of the issuer of the bond, where the bond ranks in the issuer's structure or the length of time until the bond matures. It is possible that the income due or the repayment value will not be met. They can be particularly affected by changes in central bank interest rates and by inflation.

Equities (company shares) can experience high levels of price fluctuation. Smaller company shares can be riskier than the largest companies, companies in less developed countries (emerging markets) can be risker than those in developed countries and funds focused on a particular country or region can be riskier than funds that are more geographically diverse. These risks can result in bigger movements in the value of the fund. Equities can be affected by changes in central bank interest rates and by inflation.

Derivatives may be used within funds for different reasons, usually to reduce risk, which can be called "hedging". This can limit gains in certain circumstances as well. Derivatives can also be used to generate income or to increase the risk being taken, which can have positive or negative outcomes. The derivatives used can be options or futures which are types of contracts that are dealt on an exchange or negotiated with a third party. More complex derivatives may also be used. Derivatives can also introduce leverage to a fund, which is similar to borrowing money to invest.

Funds may have holdings in investments such as commodities (raw materials), infrastructure and property as well as other areas such as specialist lending and renewable energy. These investments will be indirect, which means accessing these assets by investing in companies, other funds or similar investment vehicles. These investments can also increase risk and experience sharp price movements. Funds focused on specific sectors or industries, such as property or infrastructure, may carry a higher level of risk and can experience bigger movements in value. Certain investments can be impacted by decisions made by third parties, such as governments or regulators.

There are many other factors that can influence the value of a fund. These include currency movements, changes in the law, regulations or tax, operational systems or third-party failures, or financial market conditions that make it difficult to buy or sell investments for the fund.

Glossary

Accumulation / income shares
A fund may have accumulation and income shares. If an investor selects accumulation shares, any income generated by the fund is automatically reinvested. The amount of the reinvested income is reflected in the increased price of each accumulation share. With income shares, any income generated by the fund is paid out to the investor.

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.

Bond yield
This is calculated by taking the level of interest paid by the bond, divided by the price of the bond, expressed as a percentage. As the price rises, the yield falls and vice versa.

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

Investment Association (IA)
The trade association that represents investment management firms in the UK.

Investment Association (IA) sectors
To help with comparisons between the thousands of funds available, funds are categorised into different groups or sectors, organised and reviewed by the Investment Association (IA).

IA Flexible Investment sector
Funds in this sector are required to have a range of different investments. However, the fund manager has significant flexibility over what to invest in. There is no minimum or maximum requirement for investment in company shares (equities) and there is scope for funds to have a high proportion of shares. The manager is accorded a significant degree of discretion over asset allocation and is allowed to invest up to 100% in equities at their discretion.
• No minimum equity requirement
• No minimum fixed income or cash requirement

IA Mixed Investment 20-60% Shares sector
Funds in this sector are expected to have a range of different investments. The fund must have between 20% and 60% invested in company shares (equities). At least 30% of the fund must be in fixed income investments (for example, corporate and Government bonds) and/or "cash" investments. "Cash" can include investments such as current account cash, short-term fixed income investments and certificates of deposit.
• Maximum 60% equity exposure (including convertibles)

• Minimum 20% equity exposure
• Minimum 30% fixed income and cash
• Minimum 60% investment in established market currencies (US Dollar, Sterling & Euro) of which 30% must be Sterling
• Sterling requirement includes assets hedged back to Sterling

IA Mixed Investment 40-85% Shares sector
Funds in this sector are expected to have a range of different investments. However, there is scope for funds to have a high proportion in company shares (equities). A fund must have between 40% and 85% invested in company shares.

Inflation
The increase in the general price level of goods and services in an economy.

Macroeconomic
The overall economy of a country or region. Macroeconomic factors include; inflation, interest rates, unemployment and gross domestic product, amongst many others. These are used to describe the health of an economy and will affect financial markets.

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.

Important information

This is a marketing communication

Investors should refer to the Prospectus and to the Key Investor Information Document (KIID) before making any final investment decisions. A free, English language copy of the Prospectus, KIID and Supplementary Information Document are available on the Premier Miton website, or copies can be requested by calling 0333 456 4560 or emailing contactus@premiermiton.com.

Whilst every effort has been made to ensure the accuracy of the information provided, we regret that we cannot accept responsibility for any omissions or errors.

Reference to any investment should not be considered advice or an investment recommendation.

All data is sourced to Premier Miton unless otherwise stated.

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