

This is a marketing communication.

PREMIER MITON

Premier Miton Diversified Growth Funds

Investment team commentary

First Quarter of 2025

Introduction

What is this document for?

This document provides an update for investors in our range of Premier Miton Diversified Growth Funds. It includes information on the following funds:

Premier Miton Diversified Cautious Growth Fund
Premier Miton Diversified Balanced Growth Fund
Premier Miton Diversified Growth Fund
Premier Miton Diversified Dynamic Growth Fund

The investment team explain what has impacted the funds' performance, both positively and negatively, and how they have been managing the funds over the past three months.

For information purposes only

The views and opinions expressed in this document are those of the investment team at the time of writing and can change; they may not represent the views of Premier Miton and should not be taken as statements of fact, nor should they be relied upon for making investment decisions.

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.

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.

Please refer to the '**Risks of investing**' section later in this document for more information about some of the main specific risks of investing in these funds.

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.

Key fund documents

There are some key documents that you should read before investing in a fund. A fund's Key Investor Information Document provides details of a fund's objective, the costs of investing, how it has performed in the past, and a risk and reward indicator, which shows where the fund ranks in terms of its potential risk and reward. Fund factsheets are published each month and include up to date information about how a fund is invested and the latest performance information. Our Supplementary Information Document provides other useful information about investing with Premier Miton. All these documents are available on the Premier Miton website. Visit www.premiermiton.com

Customer care

Investors may find themselves in difficult circumstances at any point in their lives, whether as a result of a change in physical or mental ill-health, or during key life stage events such as bereavement, loss of job, personal debt concerns, or more generally through lack of confidence in dealing with financial matters.

We encourage all our customers to seek financial advice before making any important investment decisions and particularly when life may be more challenging. It's important to keep your financial adviser up to date with any changes in your circumstances so that they can help provide you personalised investment advice.

We want to make sure that we can provide you with the support you need too. If you would like copies of product information in a different format, such as large print, Braille or audio, please send us your request using the contact details provided at the bottom of this page. It may take up to 15 working days to send the information to you in these formats.

Glossary

To assist your understanding, we have provided explanations of some key terms. Please refer to the glossary at the end of this document.

Introduction

Funds in brief:

A range of multi-asset funds investing in different types of assets, including fixed income, equities, property companies, alternative investments and cash, to help spread investment risk and broaden the opportunities for long-term growth.

- Actively managed multi asset portfolios
- Range of 4 funds; Cautious Growth, Balanced Growth, Growth and Dynamic Growth
- Aim to produce growth over the long term, by which we mean at least 5 years.
- Five years is also the minimum recommended period for holding shares in these funds. However, this does not mean that the funds will achieve this aim over this, or any other, specific time period and there is a risk of loss to the original capital invested.
- Highly experienced investment team: led by Neil Birrell since 2013 and supported by a team of specialist Premier Miton fund managers in the different asset classes

Fund range

	Fund size	Launch dates
Premier Miton Diversified Cautious Growth Fund Sector: IA Mixed Investment 20-60% Shares	£106.7m	01 Mar 2019
Premier Miton Diversified Balanced Growth Fund Sector: IA Mixed Investment 40-85% Shares	£159.0m	01 Mar 2019
Premier Miton Diversified Growth Fund Sector: IA Mixed Investment 40-85% Shares	£434.4m	21 Dec 2010
Premier Miton Diversified Dynamic Growth Fund Sector: IA Flexible Investment	£86.5m	01 Mar 2019

Fund size as at 31 March 2025

Fund manager



Lead fund manager
Neil Birrell

The investment team

The Premier Miton Diversified fund range is led by Neil Birrell and includes a broad and experienced team of specialist Premier Miton fund managers who cover each of the different types of assets; fixed income, equities, property companies and alternative investments



Simon Prior
Fund Manager, Bonds



Kishan Paun
Assistant Fund Manager, Bonds



Robin Willis
Fund Manager, Alternative investments



Dan Hughes
Fund Manager, Alternative investments



Duncan Goodwin
Fund Manager, Global Equities



Luke Smith
Assistant Fund Manager, Global Equities



Tina Shah
Investment Analyst, Global Equities



Jon Hudson
Fund Manager, UK Equities



Benji Dawes
Fund Manager, UK Equities



Kirsty Riddle-Turner
Fund Manager, Property Companies

Economic & market review

It was yet another extraordinary three month period in the 2020's so far, it heralded fundamental change to the global society, with the established world order of national defence and sovereignty being challenged. The foreign policy adopted by the incoming US administration, particularly as it applied to the conflict in Ukraine and NATO members' spending on defence has changed the global geopolitical backdrop. It is difficult to know how this will play out, but we have already seen changes to policy in other countries, with Germany tearing up and rewriting its fiscal rule book.

This is already having significant impacts on the world economy, as are the trade tariffs being imposed by the US on foreign goods and products. At the time of writing, the implementation of the tariffs has been haphazard and is likely to change again. It may well be a negotiating position but it has layered more uncertainty on the global economic outlook. It is hard to know what the exact impact of tariffs will be, but, I think it is fair to say that trade tariffs will probably lead to higher prices for goods and services, lower economic growth, higher unemployment and lower company profits.

The uncertainty has done nothing to improve economic conditions, indeed there are clear signs that the, globally, all important US economy is slowing as consumers across all demographics and political persuasions, grapple with worsening personal finances and job prospects, whilst businesses are forced to plan ahead in uncertain times with higher input costs on the horizon. Elsewhere, the Chinese authorities are providing support of the economy and Europe is now expecting massive spend on infrastructure, however, the UK remains devoid of any growth.

Unsurprisingly, these conditions have led to volatile financial market conditions. Government bonds are often seen as a safe haven in difficult times, but domestic economic and political events have driven prices. Equity markets were very varied, with the US having one its worst quarters since the late 1980's, Europe did very well, as did many China related markets, whilst in the UK large companies performed well and the more domestically orientated medium and small sized ones poorly.



Portfolio activity

There were no changes to the asset allocation of the funds, where we remain comfortable with the exposures as they stand. As ever, the underlying investments in each of the asset classes were actively managed and changes made within the portfolios.

In the bond portfolio we adjusted the sensitivity to interest rate moves as expectations changed and central banks announced policy measures. The bias was very much towards higher quality bonds in the prevailing difficult market conditions, with a preference for bonds issued by companies in the financial sector, such as banks and insurance companies.

In the equity portfolio we have focused on good quality companies that we believe stand on attractive valuations. Globally, we have added a holding in the Hong Kong Stock Exchange, which should benefit from the government policy measures in China and the recovery in the equity market there. In Japan, we added Japan Elevator Services, which has a high market share and a repeatable business model. We continue to favour companies that will do well in more difficult economic conditions and those that might benefit from the changing environment. As part of that, in the UK we included two companies that are involved in the defence industry. BAE Systems manufactures military aircraft, ships, submarines, radar and a wide range of related products, whilst Chemring provides solutions for the defence, security and safety markets.

Within the property companies portfolio we reduced the exposure to the German residential market, whilst increasing offices, hotels and logistics in the UK and Europe.

In the alternative investments portfolio, merger and acquisition activity has continued; we sold BBGI Global Infrastructure, which is involved in roads and social infrastructure after it received an offer to buy the company. We also sold Harmony Energy Income for the same reason. The proceeds were added to existing holdings in wind power, energy efficiency and shipping.





Outlook

This is being written at a very uncertain time for the world's geopolitical status quo and economic outlook.

The rhetoric emanating from the Trump administration on defence spending, the conflict in Ukraine, the future of Greenland and foreign policy relating to Russian and China has profound ramifications for the real world. This is clearly evidenced by the German government's dramatic change in its own fiscal rules, agreeing to spend up to €1 trillion on infrastructure and defence in the coming years. The EU also loosened the purse strings for the same reason and the UK has increased defence spending. This can only happen by diverting spend in other areas, borrowing more, raising taxes or a combination of those. The consequences are significant.

In terms of trade tariffs, as noted above, I struggle to see how these are a positive, certainly in the short and medium term for the US and anyone else. Indeed, the evidence is that, so far the prospect of them is having a significant negative effect on the US economy. That is bad news for the rest of the world, as the US is so important. I had hoped policy would have been more expansionary and provided a boost globally, however, that is coming through in China and Europe, albeit that it is more domestic in nature.

The good news is that there is plenty of room for central banks to cut interest rates, which would provide support and stimulus. The US Federal Reserve and the Bank of England remain cautious whilst inflation remains where it is, which is understandable, but at some point they will have to act. Furthermore, they need to be careful in how they articulate their plans; as soon as they hint that interest rates might be coming down, markets will move quickly to factor that in, which, in itself can cause problems and be inflationary. It is a bit of a tightrope to be walking.

Financial markets, meanwhile, are likely to remain very sensitive to news flow on the political and economic factors at play. Bond markets offer some attractive returns and a solid bedrock to diversified portfolios. Equity markets will be reactive to economic growth and tariffs as they influence company profitability. In general, they do not look cheap by historic comparison, but within each sector and region there are good opportunities. The giant US technology and communications companies that have driven market indices, such as the S&P 500 Index higher got to valuations that looked expensive compared to the broader market. They have fallen in price, but still do look attractively valued on a relative basis, so

Performance

As we discussed in this report last quarter, the end of 2024 was a difficult period for the performance of the funds. This rolled into 2025 as macro-economic factors dominated, with interest rate cut hopes fading, inflation remaining robust, tariff fears dominating and government budget deficits being highlighted.

However, as the quarter has progressed, the funds have benefitted from the change in economic conditions and as markets have reflected those. We have had very limited exposure to those giant US companies mentioned above, whose share prices have been weak this year. Within the US, companies which should do relatively better in difficult economic conditions have seen better share price performance, bucking the trend and rising against a falling market. These include well known companies such as Coca-Cola, Colgate-Palmolive and credit card company, Visa, which are all held in the funds. Other examples include American Tower, which operates wireless communications and broadcast towers and insurance company AON.

In the UK, BAE Systems has, unsurprisingly performed well. However, we find a large percentage of our best ideas amongst medium and smaller sized companies, which, as a group, have done less well. Typically, they have more of their profits coming from the UK domestic economy, which has been less in favour. Even though our specific companies have considerable international revenues, they have been caught up with the rest of the group. We remain confident with the weighting and individual companies we hold in the portfolios.

Property companies were a drag on performance between October and February, but have picked up subsequently. In particular we believe that the increase in German and broader EU government spending on infrastructure will benefit the sector at a time when valuations look very attractive relative to history. Similarly, the alternative investments have had a negative impact, but the pick up in merger and acquisition activity amongst investment companies in the sector has helped and we believe there will be more.

We remain focused on the risk and return profiles of each of the funds and on the long term investment opportunities that we see.

Performance over the three months to 31 March 2025

Premier Miton Diversified Cautious Growth Fund

The fund was down -1.67% over the quarter, which compares to a rise of 0.20% from the IA Mixed Investment 20-65% Shares sector.

Premier Miton Diversified Balanced Growth Fund

The fund was down -2.11% over the quarter, which compares to a decline of -1.22% from the IA Mixed Investment 40-85% Shares sector.

Premier Miton Diversified Growth Fund

The fund was down -2.93% over the quarter, which compares to a decline of -1.22% from the IA Mixed Investment 40-85% Shares sector.

Premier Miton Diversified Dynamic Growth Fund

The fund was down -3.14% over the quarter, which compares to a decline of -1.73% from the IA Flexible Investment.

Source: FE Analytics. Based on Sterling class D - Income shares, on a total return basis to 31 March 2025. 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. A swing pricing basis 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. Performance could be shown on a combination of bid, mid or offer prices, depending on the period of reporting.

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

How the funds have performed

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

Performance (%)

	31.03.20	31.03.21	31.03.22	31.03.23	28.03.24
	31.03.21	31.03.22	31.03.23	28.03.24	31.03.25

Premier Miton

Diversified Cautious Growth Fund

Sterling class D - Income shares	27.03	4.76	-3.42	7.81	1.78
IA Mixed Investment 20-60% Shares sector	19.83	2.73	-4.80	7.71	3.71

Premier Miton

Diversified Balanced Growth Fund

Sterling class D - Income shares	30.72	4.63	-3.77	10.11	1.15
IA Mixed Investment 40-85% Shares sector	26.44	5.23	-4.54	10.16	3.33

Premier Miton

Diversified Growth Fund

Sterling class D - Income shares	39.23	6.12	-5.22	11.40	0.10
IA Mixed Investment 40-85% Shares sector	26.44	5.23	-4.54	10.16	3.33

Premier Miton

Diversified Dynamic Growth Fund

Sterling class D - Income shares	42.78	5.98	-4.32	12.83	0.10
IA Flexible Investment sector	29.10	4.95	-4.03	10.08	2.92

Performance source: FE Analytics. Based on Sterling class 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.

Performance could be shown on a combination of bid, mid or offer prices, depending on the period of reporting. 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.

The performance information is shown against the Investment Association (IA) sectors in which each fund is classified. We believe that these sectors are meaningful comparators to help you assess the performance of the funds.

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

Risks of investing

General risks

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.

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.

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

Fund specific risks

Some of the main specific risks of investing these funds are summarised here. Further detail is available in the prospectus for the funds. The prospectus is published on the Premier Miton website. Visit www.premiermiton.com.

The Premier Miton Diversified Growth Fund and Diversified Dynamic Growth Fund may experience high volatility due to the composition of the portfolio or the portfolio management techniques used.



Derivatives

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.



Equities

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 riskier 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.



Fixed income

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.



Other investment risks

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.



Other risks

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

Alternative investments / assets

Typically investments other than the more traditional company shares or bonds which could include, for example, commodities (such as gold), infrastructure, private equity, real estate, and hedge funds. Alternative investments can be useful to help with diversification, as some of them are not expected to perform in the same way as more traditional investments.

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.

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.

Investment Association (IA)

The trade association that represents investment management firms in the UK.

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.

- Maximum 85% equity exposure (including convertibles)
- Minimum 40% equity exposure
- No minimum fixed income or cash requirement
- Minimum 50% investment in established market currencies (US Dollar, Sterling & Euro) of which 25% must be Sterling
- Sterling requirement includes assets hedged back to Sterling

Income shares

A fund may have accumulation and income shares. If an investor selects income shares, any income generated by the fund is paid out to the investor.

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

Visit our website, premiermiton.com, for more information about us, and the different products we offer as well as the latest fund factsheets.

Whilst we can not provide you with any investment advice, if there's further information that you need sent to you, please get in touch using the details below.

Call: 0333 456 4560

Email: contactus@premiermiton.com

This is a marketing communication.

Please 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.

This document and all of the information contained in it, including without limitation all text, data, graphs, charts, images (collectively, the "Information") is the property of Premier Fund Managers Limited and/or Premier Portfolio Managers Limited ("Premier Miton") or any third party involved in providing or compiling any Information (collectively, the "Data Providers") and is provided for informational purposes only. The Information may not be modified, reverse-engineered, manipulated, reproduced or distributed in whole or in part without prior written permission from Premier Miton. All rights in the Information are reserved by Premier Miton and/or the Data Providers.

Marketing communication issued by Premier Portfolio Managers Limited which is registered in England no. 01235867, authorised and regulated by the Financial Conduct Authority and a member of the 'Premier Miton Investors' marketing group and a subsidiary of Premier Miton Group plc (registered in England no. 06306664). Registered office: Eastgate Court, High Street, Guildford, Surrey GU1 3DE.