

Premier Miton

Diversified Responsible Growth Fund

Awards and ratings



Awards and ratings are based on past events and are not an indication of future performance. Correct as at date of publication. Please see page 3 for further information.

Fund facts

Fund size	£23.8m
Launch dates	Fund - 29 Jan 2018 Share class - 29 Jan 2018
Fund structure	Open Ended Investment Company (OEIC)
Reporting dates	Final - 30 Jun Interim - 31 Dec
Base currency	GBP
Valuation point	12:00 noon
ISA eligible	Yes
Investment Association sector	IA Mixed Investment 40-85% Shares

Performance comparator
IA Mixed Investment 40-85% Shares

Fund manager



Lead fund manager
Neil Birrell
Joined Premier Miton
Jan 2013
Manager since
Mar 2021

On 02.12.2024 the name of this fund changed from Premier Miton Diversified Sustainable Growth Fund to Premier Miton Diversified Responsible Growth Fund. The investment policy and investment strategy were also updated in the Fund's prospectus to provide further clarity on the application of ESG criteria and the investment approach. Details of the changes are available on the product page of the Premier Miton website.

Market Review

The first three months of 2025 were eventful to say the least, with the news dominated by the incoming US President and his administration's pronouncements on global geopolitical matters and their economic policy as it applied to trade with other countries, particularly tariffs. Even though there was a lack of clarity to the eventual outcome, there were immediate and profound ramifications for the world's established order of defence and sovereignty and for the economy.

Germany and the EU more broadly rewrote their well established fiscal rule book and allocated vast sums to defence and infrastructure spending over the coming years. The promotion of national income for all NATO countries that will be spent on defence in the future is only heading higher.

The imposition of trade tariffs also has global impacts, however, they appear to have been felt first in the US, even before they have taken effect. The US economy has been one of the strongest in the developed world, however, consumer and business confidence has taken a downturn with fears of inflation, slower growth, poorer personal finances and higher unemployment to the fore. Elsewhere Europe has undergone an improving turn in sentiment with the anticipated government spending, whilst the Chinese authorities are providing economic support. At home, the UK economy remains stagnant.

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 1980s, Europe doing 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.

Performance

	31.03.20	31.03.21	31.03.22	31.03.23	28.03.24	28.03.24
Discrete annual performance (%)	31.03.21	31.03.22	31.03.23	28.03.24	31.03.25	
Fund	35.76	8.94	-4.51	4.98	-3.62	
Sector	26.44	5.23	-4.54	10.16	3.33	

Source: FE Analytics. Based on Sterling class B - Accumulation shares, on a total return basis to 31 March 2025. Performance is shown net of fees with income reinvested. On 30.11.2020, this fund moved from a single pricing basis (mid) to a swing pricing basis.

Past performance is not a reliable indicator of future returns.

Performance

The fund was down 2.64% during the quarter, which compares to a fall of 1.15% from the IA Mixed Investment 40-85% Shares sector.

There is more detail on the performance of the fund range in the quarterly update note and for individual (retail) investors in the quarterly commentary, both of which can be found on the relevant sections of our website.

Portfolio Activity

There were no asset allocation changes made through the period, however, the individual asset class portfolios were actively managed as usual.

In the bond portfolio we adjusted duration as interest rate expectations and economic data changed and central banks announced policy measures. The focus remained on Green Bonds.

In the equity portfolio the holding of clinical research company Icon was sold after disappointing news from the company. KLA, the semiconductor manufacturer was also sold. Kelly Partners was also sold. The proceeds were used to fund the purchases of three new holdings. In Japan, we added Japan Elevator Services, which has a high market share and a repeatable business model and Daifuku, which provides consulting, engineering, design, manufacture and after sales services for logistics systems and material handling equipment across a range of industries worldwide. Hong Kong listed, Yadea Group was added, it designs and manufactures electric scooters and bicycles in China.

In the property company portfolio Grainger and Safestore were sold to make way for two new holdings, Eurocommercial and Fastighets AB Balder. The former operates shopping centres in France, Italy and Sweden. Fastighets owns and managed commercial and residential properties in Sweden.

In the bond portfolio we continue to actively manage individual holdings to take advantage of the volatile market conditions. It was a quiet period for the alternatives portfolio.

Outlook

This is being written at a very uncertain time for the world's geopolitical status quo and economic outlook, it is therefore difficult to forecast with any certainty what will take place in the world and in financial markets over the coming months. However, risks are elevated and caution should be applied to investment decision making.

Firstly, 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. Not a good cocktail for equity markets overall. Therefore, being in the right regions, sectors and companies is going to be more important than usual.

The good news is that there is plenty of room for central banks to cut interest rates, which would provide support and stimulus. The Fed 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.

Bonds continue to provide a solid and valuable bedrock to the fund's portfolio, we can find attractive areas with good risk and return profiles, whilst property companies and alternatives are beginning to provide the diversification we are looking for.

General risks

The value of stock market investments will fluctuate, which will cause fund prices to fall as

well as rise and investors may not get back the original amount invested.

Specific fund risks

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

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.

High volatility

This fund may experience high volatility due to the composition of the portfolio or the portfolio management techniques used.

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.

Sustainable company concentration

Funds that follow a responsible or sustainable investment approach exclude investments which do not meet certain Environmental, Social, Governance (ESG) or sustainability criteria. This means they may be higher risk than more diversified funds.

Performance comparator

The fund is classified in the IA Mixed Investment 40-85% Shares sector, which we believe is a

meaningful comparator to help investors assess the performance of the fund.

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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Contact us

From 9:00am to 5:30pm, Monday to Friday, excluding bank holidays.



0333 456 4560



contactus@premiermiton.com

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Please refer to the Prospectus and to the KIID before making any final investment decisions. A free, English language copy of the Prospectus, Key Investor Information Document 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.

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