

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	£21.2m
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

Market Review

What a quarter it has been. On 2 April US president Donald Trump announced sweeping tariffs on the US's trading partners. A minimum 10% tariff was applied to almost all US imports, but much higher tariffs were applied to countries with large trade surpluses with the US. The announcement of these tariffs led to a sell-off in equity markets, with US equities particularly hard hit. It is a cliché that markets dislike uncertainty, but it was once again proven to be true as investors tried to gauge how serious the US administration was about leaving high tariffs in place.

Markets steadied and then rallied decisively after Trump announced a 'tariff pause' on most countries except China on 8 April. Trade negotiations then began and as these progressed it became increasingly clear that tariffs were intended primarily as a bargaining instrument to secure concessions from other countries. As the period progressed new trade arrangements were agreed, most importantly with China who effectively leveraged their control of rare earths (materials vital in much advanced manufacturing) as a bargaining chip.

While the drawdown in equity markets was significant, what was most striking was the behaviour of US government bonds and the dollar during April's market disruption. Typically, in times of market stress the dollar strengthens, and US Treasury yields fall as investors flock to US treasuries. However, the opposite occurred in April's tariff driven turbulence suggesting that foreign investors might be losing confidence in these assets as 'safe havens'. It is too early to tell how lasting the impacts of this development will be.

One other notable event over the period was June's Iran-Israel conflict which ultimately led to the US bombing Iran's nuclear facilities. While there were concerns about a possible escalation into a wider Middle East conflict, hostilities were short lived and seemed to end conclusively. This meant that while oil prices unsurprisingly spiked initially, other financial markets were broadly unaffected.

Performance

	30.06.20	30.06.21	30.06.22	30.06.23	28.06.24
Discrete annual performance (%)	30.06.21	30.06.22	30.06.23	28.06.24	30.06.25
Fund	25.62	-1.76	0.00	6.50	2.25
Sector	17.29	-7.16	3.25	11.82	5.55

Source: FE Analytics. Based on Sterling class B - Accumulation shares, on a total return basis to 30 June 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.

The fund was up 6.24% during the quarter, which compares to a rise of 3.80% 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 was a lot of activity in the fund over the quarter even though we did not make any changes to our overall asset allocation. The fund's allocation to portfolio hedges exists for turbulent times in markets and several of the positions generated significant profits at the beginning of April. Actively managing the portfolio hedges allowed these profits to be locked in before markets recovered. Duration in the bond portfolio was managed closely by the team and conservative duration positioning helped the fund avoid the worst of the volatility in bond markets. As ever there were also changes throughout the quarter in the other asset class portfolios.

The most extensive activity in the fund took place in June in the fund's allocation to global ex-UK equities. We made changes to the investment team and reviewed the investment approach and how it had been applied to the fund. The focus is to identify high-quality businesses that have competitive advantages that should allow them to lead in fast growing industries. Broadly speaking, the team seek to invest in two types of companies: market leaders or emergent leaders. The former includes larger businesses that have strong positions within established and growing markets. The latter group is more varied; while some companies will be disrupting existing markets and rapidly taking share, others could be leading a nascent market that should see long-term structural growth.

A significant percentage of the equity allocation was changed to reflect the renewed focus on businesses in these two categories. There was limited impact on the geographical composition of the portfolio, with minor increases to Asia and the Americas at the expense of Europe. In terms of sectors, there has been an increased weight to information technology and communication services, with meaningful reductions to the consumer discretionary, materials and industrials sectors. In the case

of companies sold, we had less conviction in their business prospects, particularly in more difficult economic conditions.

There have been no changes to the sustainability criteria applied to the fund and the underlying investments.

These changes are discussed in more depth in our latest quarterly report for the fund range which you can find on the fund's page on the Premier Miton website.

Outlook

Based on the year so far, the rest of 2025 could be eventful. This may offer opportunities for the investor who is well diversified across asset classes and regions.

Uncertainty still abounds in economies, markets and politics, making it hard to make high-conviction predictions. For one thing there is still ambiguity about what tariffs will ultimately be levied on the US's trading partners. At the time of writing a flurry of diplomatic activity is underway to get provisional trade agreements in place between the US and other countries. Alongside this uncertainty is the still unknown economic impact of the imposition of tariffs in early April. As Q3 2025 progresses the impact of "Liberation Day" on the global economy should increasingly feed through into company earnings and economic data.

The US government's fiscal position is another source of concern, as its debt burden continues to soar with no clear signs of how the deficit will be reduced. The US is not alone in having high debt levels, but given the importance of US treasuries in the financial system its borrowing needs are closely watched by many investors. The passage of Trump's tax cutting 'Big Beautiful Bill' through Congress may catalyse further anxiety about US borrowing and drive volatility in bond markets. However, the bill's tax cutting provisions should be positive for US corporate profits.

Possible volatility in the treasury market means we will continue to pay close attention to the duration positioning of our bond portfolio and the quality of the bonds held. Central banks also have scope to cut interest rates and may well do so in the second half of the year making active management of the bond portfolio doubly important. The fund's portfolio hedges will continue to be actively managed as they are an important way to add protection against volatility and sharp declines in markets, as well as offering a means to gain differentiated exposures in the portfolio. In each of the other asset classes the fund managers will remain focused on identifying opportunities and risks as they present themselves.

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.

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.

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.



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