

Premier Miton UK Multi Cap Income Fund

Fund facts

Fund size	£317.6m
Historic Yield	4.82%
Launch dates	Fund - 14 Oct 2011 Share class - 14 Oct 2011
Fund structure	Open Ended Investment Company (OEIC)
Reporting dates	Final - 31 May Interim - 30 Nov
Base currency	GBP
Valuation point	12:00 noon
ISA eligible	Yes
Investment Association sector	IA UK Equity Income

Performance comparators

FTSE All-Share Index
 FTSE AIM All-Share Index
 IA UK Equity Income

Investment team



Fund manager
Gervais Williams
 Joined Premier Miton
Mar 2011
 Manager since
Oct 2011



Fund manager
Martin Turner
 Joined Premier Miton
May 2011
 Manager since
Oct 2011

Market Review

With US and UK interest rate cuts, market momentum remained good during Q4. Even so, there is some investor wariness, and consequently the gold price has continued to appreciate strongly.

Importantly in our view, there is also growing interest in asset diversification via equity income equities which has led to UK large-caps outperforming the US indices during the period.

Performance

	31.12.20	31.12.21	30.12.22	29.12.23	31.12.24	31.12.25
Discrete annual performance (%)	31.12.20	31.12.21	30.12.22	29.12.23	31.12.24	31.12.25
Fund	16.74	-13.49	-4.22	13.44	17.36	
FTSE All-Share Index	18.32	0.34	7.92	9.47	24.02	
FTSE AIM All-Share Index	6.12	-30.67	-6.40	-3.95	8.53	
IA UK Equity Income sector	18.39	-1.69	7.02	8.73	18.67	

Source: FE Analytics. Based on Sterling class B - Accumulation shares, on a total return basis to 31 December 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.

Over the quarter, the fund returned 2.21%, ahead of the FTSE AIM All-Share Index which fell -1.70%. The FTSE All-Share Index rose 6.38% and the IA UK Equity Income sector rose 5.74%.

The ongoing UK OEIC redemptions continue to weigh on small-cap share prices. Despite these ongoing performance headwinds, the added value from stock selection meant the fund still rose over the quarter. We believe the fund's broader investment universe including numerous small-cap financials and gold mining companies, was the main driver of return in 2025.

As an example Pan African Resources (gold) was up 40% and Atalaya Mining (copper) up 37% in the fourth quarter. The only significant detractor was PayPoint. Its growth continued, albeit at a less rapid pace than initially forecast and we believe that it is set to continue to generate both cashflow and growth.

Portfolio Activity

Overall, the fund continues to have a much broader range of stocks and sectors than others, to generate dividend growth, and long-term capital appreciation. Following outperformance of the Financial and Materials sectors, major profits were taken in Q4. The weighting in the Financial sector remains the largest at 31%. The Materials, Energy and the combination of the Utilities & Real Estate sectors are now all circa 12%.

Outlook

The key defining feature of the Premier Miton UK MultiCap Income Fund compared with other UK equity income funds, is its much broader investment universe. The portfolio includes both large and small-caps. It also includes companies right across the full range of industry sectors. This differential means the strategy has a return pattern that is not necessarily closely correlated with the fluctuations of the mainstream stock market indices.

Over the last five years, the fund's small-cap equity income holdings have greatly detracted from the capital appreciation of the fund. Funds that almost solely invest in large-caps have greatly outperformed.

This data gives a misleading impression, however. According to the Q325 Computershare Dividend Monitor, the dividends paid by the UK stock market peaked in 2019, fell sharply during Covid, and subsequently still haven't fully recovered to reach the 2019 levels. In contrast, the fund's dividends peaked in the year to May 2019, fell back in the year to May 2020 with Covid, and then grew well in the year to May 2021. Thereafter, the fund's income has continued to grow each year sequentially, with its dividend distribution now being well above its 2019 payment. In short, the fund's broader investment universe has come through in a much stronger stream of dividend growth than the market.

Therefore, the fund's disappointing capital returns are not related to poor stock picking or lesser growth from small-caps. It is in fact that the valuations of small-cap equity income stocks have fallen, even at a time when most continue to trade well. We believe this is a market distortion caused by the scale of ongoing OEIC redemptions.

From here, we look forward to a catch-up trade. During 2025, despite the OEIC redemptions, UK large-caps have outperformed the US indices, including the technology winners. Hence, should the broader investment universe of the fund's portfolio outperform the UK large-caps, it could have the horsepower to outperform many international comparatives as well.

Income

Historic Yield 4.82%

The historic yield reflects distributions declared over the past twelve months as a percentage of the fund price as at the date shown. It does not include any preliminary charge and investors may be subject to tax on their distributions.

The yield is not guaranteed and will fluctuate.

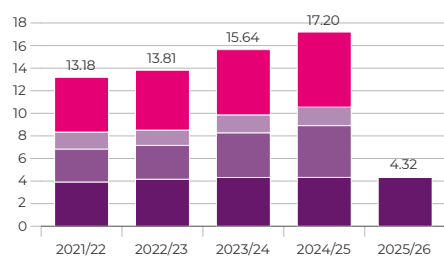
Payment frequency Quarterly

Payment dates 30 Apr, 31 Jul, 31 Oct, 31 Jan

Ex dividend dates 1 Mar, 1 Jun, 1 Sep, 1 Dec

Income distribution (pence per share)

Total income distributions in each of the fund's last 5 financial years.



The dividend amount that is paid each year can go down and up and is not guaranteed.

Globalisation was all about buoyancy. With inflation being benign, central banks were able to inject in additional market stimulus at will. Companies and governments that ran out of cash were able to borrow more. There was no urgency to ensure that income exceeded expenditure. Governments ran large budget deficits year after year. Zombie corporates survived.

With nationalism however, those with cashflow deficits will increasingly find that they are unable to borrow more at will. Governments and corporates will be forced to bring revenue and cost into balance. Global unemployment is already steadily rising.

Therefore, with nationalism, expect equity income stocks generating surplus cash to have disproportionate advantage. We anticipate their EPS growth could now accelerate to outpace nearly all comparatives. Globalisation may have favoured mega-caps, but we feel strongly that nationalism will favour micro-caps.

We believe this new nationalism pattern of return could last for decades. The UK stock market is at the start of a supercycle, as earnings growth accelerates. We remain tremendously upbeat.

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.

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.

Performance comparators

The fund is classified in the IA UK Equity Income sector, which we believe is a meaningful comparator to help investors assess the performance of the fund.

As the fund invests in UK companies, we believe the FTSE All-Share Index, which is made up of companies listed on the London Stock Exchange, and the FTSE AIM All-Share Index, which is a sub-market of the London Stock Exchange and is made up of predominantly smaller companies, are also useful performance comparators.

Other information

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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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