PREMIER MITON

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UK Value Opportunities Fund

Awards and ratings

Morningstar™ 2026 rating: Three year rating out of 203 EAA Fund UK Small-Cap Equity funds as at 31.03.26

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	£216.3m
Launch dates	Fund - 25 Mar 2013 Share class - 25 Mar 2013
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 All Companies

Performance comparators
FTSE All-Share Index
IA UK All Companies

Investment team

Fund manager
Matthew Tillett
Joined Premier Miton
Oct 2022
Manager since
Nov 2022

Assistant fund manager
Michael Shrives
Joined Premier Miton
Jun 2023
Manager since
Jun 2023

Market Review

After an encouraging start to the year, the outbreak of war in the Middle East at the end of February quickly became the defining feature for financial markets in the first quarter of 2026.

The war created major disruptions to the flows of oil and gas out of the Middle East, which have continued into April. Oil and gas prices rose substantially in response. For the UK economy, the impact will be felt primarily via energy prices, since the UK is a net importer of energy, with potential knock-on effects on inflation and interest rates, both of which had previously been expected to fall this year.

The stock market response saw share price falls for most domestically oriented, economically cyclical or interest rate sensitive stocks, which are perceived to be the main losers from this change in the macroeconomic backdrop. Large-cap "blue-chip" stocks were generally more resilient. Unsurprisingly, the energy sector posted strong gains, on the back of soaring oil and gas prices.

Performance

Discrete annual performance (%)	**31.03.21 31.03.22**	**31.03.22 31.03.23**	**31.03.23 28.03.24**	**28.03.24 31.03.25**	**31.03.25 31.03.26**
Fund	-5.78	-6.93	8.15	1.66	17.73
Index	13.03	2.92	8.43	10.46	21.54
Sector	5.36	-1.86	7.65	5.09	12.95

Source: FE Analytics. Based on Sterling class B - Accumulation shares, on a total return basis to 31 March 2026. 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 Premier Miton UK Value Opportunities Fund (class B accumulation shares) returned -2.60% during the period. The IA UK All Companies sector returned -1.99% and the funds' benchmark, the FTSE All-Share Index returned 2.41%.

The fund follows a multi-cap approach, which means it typically has a bias towards small and mid-cap (SMID) stocks. After an initially encouraging start to the year, UK SMID stocks once again underperformed, impacted by the outbreak of war in the Middle East. The FTSE Mid 250, Small Cap and AIM indices were all down by around 5%–6.2% over the quarter. With over 90% of the fund invested in companies under £4bn market capitalisation, the fund was unable to offset this headwind to performance.

Performance attribution during the quarter reflected the macro backdrop, with the c. 7% weighting to energy-exposed companies performing very well, providing some offset to the weak share price performance amongst the interest- rate Sensitive and consumer discretionary holdings.

The top three contributors to performance were all energy companies, TGS, Serica and Ashtead Technology. Specialist power supply company XP Power was also strong on the back of well received full year results which saw an improvement in the order book and a much-improved balance sheet position.

A key negative contribution came from the two mega-cap energy companies Shell and BP which the fund does not own. Both stocks rose in response to higher oil and gas prices. DFS Furniture and JD Sports fell along with a broad-based sell-off in consumer discretionary stocks. Our holdings in the listed property sector were also a drag on performance as the sector sold off due to the move up in interest rates.

Portfolio Activity

There were three new additions and four complete sales.

Hollywood Bowl is a leading operator of large-scale ten-pin bowling facilities in the UK and in Canada. The business is highly profitable with a long tenured management team. The opportunity exists following a few years of unhelpful weather in the UK and a peak investment and refurbishment phase which has temporarily depressed free cash flow. The valuation fails to capture the reversal of these short-term headwinds and the long-term growth opportunity, particularly in Canada where the business has the chance to replicate its successful model from the UK.

Great Portland Estates (GPE) is a west end focussed office property development and investment company. Our conviction that this end market is approaching the sweet spot in its capital cycle has increased. Rents across prime offices in London are rising rapidly as the occupier market has returned against a backdrop of limited supply, which is particularly acute at the top end of the market in the West End where GPE is most active. We purchased shares at an historically wide discount to NAV.

Property services group Mears is a leader in the maintenance of social housing in the UK. The stock market's focus on the declining asylum contract is overlooking the value of the maintenance business, which is growing nicely with high and predictable cash conversion, healthy margins and operates in an increasingly consolidated end market.

The position in OSB Group was sold following a strong run in the shares that had brought the valuation closer to our fair value. Near- term we are increasingly cautious about the outlook for the buy-to-let market, which is facing headwinds as the Government introduces stricter laws impacting landlords.

Following the outbreak of war in the Middle East, we sold out of emerging markets fund manager Ashmore and energy services company Gulf Marine Services (GMS). Ashmore shares had already moved up sharply in January in anticipation of further fund inflows, which now look increasingly unlikely. GMS has the majority of its business based in the Middle East which we expect to be severely disrupted.

Finally, we sold out of GSK due to valuation considerations. The shares have re-rated substantially on the back of more consistent operating performance as well as management changes. We no longer had any upside to our fair value and therefore sold the holding.

Outlook

In the last quarterly update, we noted the compelling prospects for domestically oriented UK stocks, due to exceptionally attractive valuations, strong balance sheets and a macro backdrop that appeared to be no longer getting any worse. We still believe this to be the case over the medium term, whilst acknowledging that the impact of the war in the Middle East will inevitably have some short-term impact on the UK economy and elsewhere.

At this stage, it is nigh -on impossible to predict what this impact will be and for how long it will be sustained because the situation is still in flux.

The most likely scenario, in our view, is a messy peace agreement that goes some way to alleviating the energy supply issue, but without resolving the main pressure points that led to the war in the first place. However, we do not have strong conviction here and recognise that other outcomes are also possible.

In the event of a more prolonged energy supply shock, we are doubtful that the macroeconomic and stock market impacts will be a repeat of that which followed the Ukraine war in 2022, which is what many market participants appear to be expecting. In 2022, the world economy was experiencing a post-Covid surge in demand, against a backdrop of constrained supply and near zero interest rates. In contrast, today the consumer in most western economies is subdued, housing markets are depressed, and interest rates are already much higher. If anything, a sustained energy price shock may be the catalyst to bring down global economic growth, or perhaps even induce a recession, which would be deflationary rather than inflationary.

In the meantime, the fund will continue to focus on the longer-term picture, investing in good quality companies with sound balance sheets and low valuations, whilst capitalising on short- term stock market volatility to invest in a sensible and contrarian manner.

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.

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 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.

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.

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.

Contact us   From 9:00am to 5:30pm, Monday to Friday, excluding bank holidays.   0333 456 4560   contactus@premiermiton.com

Important information