

Premier Miton

Global Smaller Companies Fund

Fund facts

Fund size	£22.3m
Launch dates	Fund - 22 Mar 2021 Share class - 22 Mar 2021
Fund structure	Open Ended Investment Company (OEIC)
Reporting dates	Final - 31 Aug Interim - 28 Feb
Base currency	GBP
Valuation point	12:00 noon
ISA eligible	Yes

Investment Association sector
IA Global

Performance comparator
IA Global

Investment team



Lead fund manager
Neil Birrell
Joined Premier Miton
Jan 2013
Manager since
May 2025



Fund manager
Imogen Harris
Joined Premier Miton
Oct 2020
Manager since
Mar 2021

Investment team update: Chief Investment Officer, Neil Birrell, replaced Alan Rowsell as lead fund manager on 12 May 2025.

Market review

Over the course of the quarter, stock markets have rebounded after the reciprocal tariffs set by Donald Trump on 4th April, known as 'Liberation Day', were rolled back, or delayed. The initial sell-off was caused by the surprise imposition of tariffs on more nations than expected, as well as the tit-for-tat tariff ramp-up that occurred between the US and China.

In reaction to concerns about inflation picking up after tariffs, the Federal Reserve has kept interest rates the same over the quarter. Jerome Powell, the Chair, commented that the uncertainty surrounding economic data means that no one on the committee has conviction over where the rate path may go.

News flow about what a funding package in Germany might look like continued to be released. It seems like the initial measures will revolve around tax incentivisation for capital investment, which could be very positive for the European small cap market.

At the end of the quarter, volatility was injected back into the market from a further acceleration of geopolitical tension in the Middle East. Oil prices, that had been declining from worries about global consumption from elevated prices post-tariffs, jumped on the news.

Performance

	30.06.20	30.06.21	30.06.22	30.06.23	28.06.24	30.06.25
Discrete annual performance (%)	30.06.21	30.06.22	30.06.23	28.06.24	30.06.25	
Fund	-	-7.51	3.19	10.79	1.65	
Sector	-	-8.77	10.79	14.89	4.60	

Source: FE Analytics. Based on Sterling class C - Income shares, on a total return basis to 30 June 2025. Performance is shown net of fees with income reinvested. This fund is priced on a swing pricing basis. The full 5 years of calendar year performance is not available as the fund launched on 22.03.2021.

Past performance is not a reliable indicator of future returns.

The fund rose 8.25% in the second quarter compared to the IA Global sector which rose 5.43%. Small cap stocks rose 5.8% during the period, thanks to the trade tariffs being rolled back lower than expected. Small cap stocks also outperformed large caps by 0.8%.

The biggest contributor to the fund over the period was Spanish solar power developer, **Grenergy**. The company has been developing solar power and storage projects, mostly in Chile. They held a capital markets day and announced expansion plans that were higher than the market expected, while requiring less capex than assumed.

The second largest contributor to performance in the second quarter was **Elf Beauty**, a US cosmetics and skincare company. Worries around tariffs and a weakness in the US consumer had brought the multiple down, but the most recent earnings release calmed worries about slowing revenue growth. Elf increased pricing, which should mitigate tariff impacts.

The biggest detractor was **Bellring Brands**, a manufacturer of ready-to-drink protein drinks in the US. Bellring had a weaker quarterly earnings report as fluctuations in inventory impacted the next quarterly outlook.

The British pound rose by 6.3% versus the US dollar during the period. With the fund invested mostly outside the UK, this means the fund's overseas holdings decreased in value when translated back into British pounds.

Portfolio activity

During the period, we increased our exposure to the Japanese market. A refreshed corporate mindset in Japan, thanks to a changed corporate governance code, has led to actions by companies to have a greater focus on metrics like Return on Equity and shareholder returns. The small cap end of the Japanese market is more domestically-focused, and so it is less exposed to the impact of global tariffs.

We bought a new position in **Concordia Financial Group**. Concordia is a Japanese regional bank with loan growth potential. It is expanding its customer base from partnerships with other regional banks. As the Bank of Japan exits its yield curve control policy, it is likely that Return on Equity and shareholder return will also improve.

We also initiated a position in **CBIZ**. CBIZ is a US professional services company, providing financial services such as tax processing, audit and advisory services. The return of its project-based revenue, which has been slow over the uncertainty over tariffs, will help expand the multiple of this steady compounder.

We sold **Sinbon Electronics**, a Taiwanese electric cabling company. The impact of higher interest rates has meant that clients have delayed awarding projects to Sinbon. Given its manufacturing footprint, partly based on China, the upcoming tariff announcements became a greater risk and we decided to exit.

Outlook

Although there is continued uncertainty over what level tariffs will eventually settle at, the market has roughly priced in the assumption that tariffs will settle at a 10% baseline level for most countries. As a result, the US market has rebounded on this assumption, despite trade deals not having been expressly agreed upon.

Moreover, it is noticeable that there has been a slowdown in decision-making across corporate US around capital investment. The fund has a lower weighting to the US compared to many of its competitors and passive indices due to our concerns over high valuations, if the softness in the US economy does elongate. Global small caps mildly outperformed large caps, and the majority of regional small cap indices have outperformed the US small cap index over the quarter.

Europe continued its outperformance over the quarter. In the first quarter, the debt ceiling was lifted in Germany and market enthusiasm of the potential impact of funding packages around infrastructure and defence drove outperformance. With market valuations being markedly lower than in the US, other global regions may offer superior returns going forward.

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 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 comparator

This fund is classified in the IA Global sector which we believe is a meaningful comparator

to help investors assess the performance of the fund.

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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