

## Premier Miton Liberation No.VI Fund

Six month update from 30 September 2024 to 31 March 2025

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**What is this document for?** This document provides an update from the managers of this fund, explaining what has impacted the fund's performance and how they have been managing the fund over the past six months.

**For information purposes only.** Any views and opinions expressed here are those of the fund managers at the time of writing and can change; they may not represent the views of Premier Miton and should not be taken as statements of fact, nor should they be relied upon for making investment decisions.

**Investing involves risk.** The value of an investment can go down as well as up which means that you could get back less than you originally invested when you come to sell your investment. The value of your investment might not keep up with any rise in the cost of living.

**Investment advice.** Premier Miton is unable to provide investment, tax or financial planning advice. We recommend that you discuss any investment decisions with a financial adviser.

For further information on the risks of investment and glossary terms, please refer to the end of this document.

### At a glance

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- The performance of the shares of UK companies (equities) weakened slightly early in the period, in part due to the Budget in October, where higher taxes and spending dampened business sentiment.
- The Fund returned 0.71% over the period, in comparison to the Investment Association Mixed Investment 40-85% Shares sector return of 0.07%.
- We continue to favour UK equities, which performed well in the first three months of the year.

### Background - market overview

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It was a volatile period for financial markets, which were largely dominated by events in the US. In early November Donald Trump won the US presidential election, that saw a rally in US companies share prices (equities) on the prospect of a pro-growth agenda being adopted. However, the election of Trump was viewed less favourably by US bonds, which weakened on the prospect of a deteriorating budget deficit, as well as higher inflation, partly due to probable tariffs. Bonds are a type of investment that allow investors to loan money to governments and companies, usually in return for a regular fixed level of interest until the bond's maturity date, plus the return of the original value of the bond at the maturity date. The price of bonds will vary, and the investment terms of bonds will also vary. In addition, while the US Federal Reserve cut interest rates twice in the last three months of 2024, after the latest interest rate cut they signalled only two further cuts over the coming year, less than markets had been expecting. Following the new Trump administration taking office on January 20th, a slew of executive orders quickly followed, with tariffs imposed on Canada and Mexico, with additional tariffs on China. Subsequently US tariffs on steel and auto industry were also imposed, and with these tariffs going well beyond his first term, US equities were sold by investors in quick concession as a result. The period also saw the release of DeepSeek's AI (Artificial Intelligence) model in China, causing further weakness in US technology companies share prices.

The share prices of UK equities weakened slightly early in the period, in part due to the Budget in October, where higher taxes and spending dampened business sentiment, with bonds issued by the UK

government being sold in quick concession. Into January, UK equity share prices recovered and performed well as investors recognised the valuations on offer. The Spring Statement passed relatively unscathed in March, but the limited fiscal headroom for the UK government raised the potential for the government to issue more bonds. The Bank of England cut interest rates by a further 0.5% over the period to take the base rate to 4.5%.

Over in Europe there was a massive fiscal shift, which followed the German election in late February, where the incoming coalition proposed a fiscal reform to permit higher defence and infrastructure spending, triggering a sharp rally in the share price of equities. In Asia, Japan benefitted from further government spending and supportive policies being announced, while in China the authorities also announced more measures to support the economy, together with more deregulation and interest rate cuts, which boosted investor sentiment, notwithstanding the threat of tariffs. Despite the volatile bond environment, a number of commercial property funds performed well, as attractive share price valuations spurred interest from overseas buyers.

## Fund performance

The fund was rewarded over the period with fewer holdings to US equities producing the most significant contribution to performance. As a result, the Fund returned 0.71% over the period, in comparison to the Investment Association Mixed Investment 40-85% Shares sector return of 0.07%. Within the bond portfolio, the outcome was also positive as it benefitted from our selection of investments in corporate bonds (bonds issued by companies). Elsewhere, whilst the holdings in UK equities helped drive performance, the exposure to small and medium sized companies held back returns. This was a similar situation in European equities, where the fund's holdings to small and medium sized companies was also a drag on performance.

Another source of performance came from the Property/Infrastructure holdings, which saw bid activity and improved sentiment boost returns in the UK commercial property sector.

### How the fund has performed

More information about how the fund has performed over different periods is available on the fund factsheet, or you can use our online performance charting tool which allows you to choose the time periods that you wish to show performance for. See the individual fund pages on the website.

Performance (%)	31.03.2020 - 31.03.2021	31.03.2021 - 31.03.2022	31.03.2022 - 31.03.2023	31.03.2023 - 31.03.2024	31.03.2024 - 31.03.2025
Fund	31.13	4.43	-1.64	8.87	5.66
Investment Association Mixed Investment 40-85% Shares sector	26.44	5.23	-4.54	10.16	3.40

**The performance information presented on this page relates to the past. Past performance is not a reliable indicator of future returns.**

Other share classes are available which may have higher or lower charges which will impact the returns of the fund. Fund factsheets are published on our website for each available share class.

Performance source: FE Analytics. Based on UK Sterling, class C accumulation shares, on a total return basis. Performance is shown net of fees with income reinvested. On 20.01.2020, this fund moved from a single pricing basis (mid) to a swing pricing basis, which is where the price can swing to either a bid or an offer basis depending on the investment and redemption activity in the fund. This means the investor selling or buying fund shares bears the associated [dis]investment costs and protects the continuing holders in the fund. Performance could be shown on a combination of bid, mid or offer prices, depending on the period of reporting.

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.

## Portfolio activity

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The period saw several fund selection changes made, with the focus being on the bond holdings, although changes were also made to the fund's holdings in equities and alternatives. Favouring bonds with a short maturity date (the set date on which a bond or similar loan will be repaid by the borrower), for some time, has been a strategy that has worked well for us. Moreover, it was decided that lower quality bonds should be sold in favour of higher rated corporate bonds and Government bonds to increase both the quality and duration of the bond exposure. The duration is a measure of the price sensitivity of a fixed income investment to a change in interest rates. Hence, in order to raise duration we sold out of M&G Short Dated Corporate Bond Fund which has performed well, while adding a new position in Barings Global Investment Grade Bond Fund. We also sold out of Royal London Sterling Credit Fund that has performed well, with proceeds switched to the new Barings holding.

Later in the period, within equities, the Invesco S&P Small- Cap 600 UCITS ETF was added to the fund. This move was broadly funded by reducing the fund's exposure to UK larger companies. Another allocation move made was to increase the fund's holdings to European equities given the improved outlook following the significant German stimulus package that was announced, with an increase in the holding in Polar European ex-UK Income Fund. The fund's exposure to UK and Japanese equities were reduced to accommodate this. Within the fund's allocation to bonds, we purchased a new holding in Doubleline Global Diversified Credit Fund. Elsewhere a new holding in FTF Clearbridge Global Infrastructure Income Fund was added as a compliment to the fund's property holdings.

## Outlook

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We continue to favour UK equities, which have performed well in the first three months of the year. We believe valuations are still attractive, and mergers and acquisition activity is becoming more visible. US equities have endured a torrid start to the year, and we have used this as an opportunity to add some holdings here. With Germany relaxing their fiscal stance to allow more spending on defence and infrastructure, we have become more optimistic on European equities, while we still believe that in the UK and Europe, small and medium-sized companies are undervalued versus their larger brethren. Hopes for more Chinese fiscal stimulus and a stabilisation in the property market may provide further support for Asian equities, notwithstanding the threat of tariffs. The prospect of falling cash rates and relatively subdued inflation in the UK should be supportive for both UK government bonds and high credit quality corporate bonds, along with the prospect of further UK interest rate cuts providing support for the UK commercial property market. The alternative investments continue to provide good diversification from more traditional markets and still have a role to play, hence we maintain some exposure here.

**Premier Miton multi-manager multi-asset investment team**

## Risks of investing

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

Typically, there is less risk of losing money over the long-term (which we define as over 5 years) from an investment that is considered low risk, although potential returns may also be lower. Investments considered higher risk typically offer greater opportunities for better long-term returns, though the risk of losing money is also likely to be higher.

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.

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.

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.

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.

Funds that are managed to maintain a specific risk profile, or that invest in other funds that themselves are managed to maintain a specific risk profile, may have their potential growth or income constrained as a result.

## Glossary

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### **Accumulation shares**

A fund may have accumulation and income shares. If an investor selects accumulation shares, any income generated by the fund is automatically reinvested. The amount of the reinvested income is reflected in the increased price of each accumulation share.

### **Alternative investments / assets**

Typically, these are investments other than the more traditional company shares or bonds which could include, for example, commodities (such as gold), infrastructure, private equity, real estate, and hedge funds. Alternative investments can be useful to help with diversification, as some of them are not expected to perform in the same way as more traditional investments.

### **Investment Association (IA)**

The trade association that represents investment management firms in the UK.

### **Investment Association (IA) sectors**

To help with comparisons between the thousands of funds available, funds are categorised into different groups or sectors, organised and reviewed by the Investment Association (IA).

### **IA Mixed Investment 40-85% Shares sector**

Funds in this sector are expected to have a range of different investments. However, there is scope for funds to have a high proportion in company shares (equities). A fund must have between 40% and 85% invested in company shares.

- Maximum 85% equity exposure (including convertibles)
- Minimum 40% equity exposure
- No minimum fixed income or cash requirement
- Minimum 50% investment in established market currencies (US Dollar, Sterling & Euro) of which 25% must be Sterling
- Sterling requirement includes assets hedged back to Sterling

**Total return**

A way of showing how an investment has performed and is made-up of the capital appreciation or depreciation and includes any income generated by the investment. Measured over a set period, it is expressed as a percentage of the value of the investment at the start of that period.

## Important information

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**This is a marketing communication**

Investors should refer to the Prospectus and to the Key Investor Information Document (KIID) before making any final investment decisions. A free, English language copy of the Prospectus, KIID 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](mailto:contactus@premiermiton.com).

Whilst every effort has been made to ensure the accuracy of the information provided, we regret that we cannot accept responsibility for any omissions or errors.

Reference to any investment should not be considered advice or an investment recommendation.

All data is sourced to Premier Miton unless otherwise stated.

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