

Premier Miton UK Value Opportunities Fund

Six month update from 1 April 2025 to 30 September 2025

What is this document for? This document provides an update from the manager 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 manager 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

- Equity markets, both at home and abroad, continued to climb the wall of worry.
- The Premier Miton UK Value Opportunities Fund (class B accumulation shares) returned 16.61% during the period. The IA UK All Companies sector returned 10.65% and the FTSE All-Share Index returned 11.56%.
- The UK stock market has performed well in 2025 but there remains a high degree of nervousness regarding the economic outlook, which is reflected in the low share prices of domestically focused companies

Background - market overview

Equity markets, both at home and abroad, continued to climb the wall of worry. Fiscal concerns, potential tariff impacts, persistently elevated interest rates, weak Gross Domestic Product (the total value of all goods and services produced in a country) growth, worsening employment trends and geopolitical uncertainty dominated the narrative.

In the US market, this was offset by enthusiasm around artificial intelligence (AI), which drove the technology sector ever higher. In the UK, company reporting remained mostly stable, with UK equities supported by low share prices and strong free cash flows, much of which continued to be directed towards share buy backs.

In the UK economy, investors became increasingly concerned with the UK government's fiscal position ahead of the November budget which is now widely expected to see further tax increases.

The price of commodities, which include natural resources such as gold, oil, gas, metals or agricultural products that can be bought and sold on financial markets, remained positive, with gold reaching record highs. Copper and the platinum group of metals also performed well, although oil lagged due to supply concerns.

Fund performance

The Premier Miton UK Value Opportunities Fund (class B accumulation shares) returned 16.61% during the period. The IA UK All Companies sector returned 10.65% and the FTSE All-Share Index returned 11.56%.

A major boost to performance came from the Fund's holdings in the mining sector (Capital Ltd, Atalaya Mining and Sylvania Platinum). This was partly thanks to strong commodity prices, especially gold, copper and the platinum group of metals. Investor confidence appears to be improving towards this sector, pushing share prices up from previously low levels. Our holdings also reported better business performance.

Two of the fund's holdings in the banks sector – Vanquis Banking Group and DF Capital – rose sharply, in both cases following strong company updates. Vanquis is benefiting from a restructured cost base, whilst DF Capital continues to grow profitably in less competitive parts of the market.

The biggest negative impact on performance came from not owning, HSBC, Barclays, Bae Systems and Rolls Royce - large companies whose share prices rose strongly during the period.

Amongst the fund's holdings, the biggest negative contributor was specialist recruitment company Robert Walters. The markets they service remained subdued, which impacted financial performance and the company's valuation fell further. We continue to see a compelling long term investment case driven by self-help initiatives and a gradual market recovery.

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 (%)	30.09.2020 - 30.09.2021	30.09.2021 - 30.09.2022	30.09.2022 - 30.09.2023	30.09.2023 - 30.09.2024	30.09.2024 - 30.09.2025
Fund	55.55	-31.75	18.26	15.79	11.21
IA UK All Companies Sector	32.38	-15.33	12.77	14.19	9.45
FTSE All-Share Index	27.90	-4.00	13.84	13.40	16.17

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 B accumulation shares, on a total return basis. 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, 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 UK All Companies 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 companies listed on the London Stock Exchange, is also a meaningful comparator to help investors assess performance of the fund.

Portfolio activity

There were five new purchases and six complete sales. At the end of the period, the fund held 54 different companies.

After selling last year, we reinvested in Renew Holdings after a significant decline in the share price due to weakness in the company's rail business. We believe this to be a temporary issue, whilst other areas of the business are driving strong growth, especially the water business where the new regulatory cycle will see an 80%+ increase in spending.

We also reinvested in Breedon, a building materials group, after its share price fell. We believe temporary setbacks (inclement US weather, planning delays in the UK / Ireland) have created an opportunity to invest into this high-quality business model.

Elementis, a specialist chemicals company, was added following the sale of the European talc business. We believe this transaction simplifies the investment case, freeing up management time to focus on growing the high-quality areas of the business.

We also bought Conduit Re, a reinsurance company, after a sharp decline in the share price. Conduit has experienced unusually large losses over the past 18 months; however, we don't believe there is anything fundamentally wrong with the company.

Finally, we invested in Ashtead Technology, which provides services to the oil industry. The shares were hit hard earlier in the year following a downgrade to guidance due, in the main, to temporary factors such as the war in the middle east which delayed some projects. We believe that forecasts now look achievable.

We sold the position in Dowlais, automotive supplier following the American Axel merger announcement earlier in the year, the terms of which we had some reservations over.

Senior, an aerospace supplier, was sold in the wake of tariff announcements, which we anticipate being a major headache for suppliers to the aerospace industry, creating additional costs and margin pressure from customers.

We also sold SigmaRoc, Harworth Group, Henry Boot and British American Tobacco based on our views on the valuations of the companies.

Outlook

The UK stock market has performed well in 2025 but there remains a high degree of nervousness regarding the economic outlook, which is reflected in the low share prices of domestically focused companies. The crisis that has been around since the Brexit vote continues to rear its ugly head. Although the UK economy is not in crisis and has, in fact, outperformed many of its peers, there nevertheless remains a sense of fragility, a feeling that the next crisis is always just around the corner.

The main event to look at for the remainder of the year will be the UK Budget on 26th November. The Office for Budget Responsibility (OBR) is expected to lower its long-term productivity growth forecasts for the economy, creating a funding gap that the Chancellor will need to fill, most of which is likely to come from tax rises. We expect these tax rises to be manageable and spread across a number of areas, rather than focused heavily on the business sector as was the case last year. The event may therefore act as a reset moment, potentially giving investors a reason to revisit the domestically focussed parts of the stock market.

Matthew Tillett

Fund Manager

Risk of investing

Some of the main specific risks of investing in this fund are summarised here. Further detail is available in the prospectus for the fund.

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.

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

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.

Glossary

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.

Equities

Another name for shares (or stock) in a company.

FTSE 100 Index

The FTSE 100 (Financial Times Stock Exchange 100 Index), is an index that measures performance of the largest 100 companies listed on the London Stock Exchange (LSE).

Investment Association (IA)

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

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 UK All Companies sector

Funds in this sector are required to invest at least 80% of their assets in UK equities which have a primary objective of achieving capital growth.

Index

An index is a method of tracking the performance of a group of shares, bonds, other assets or factors. For example, the FTSE 100 Index is made up of the 100 largest companies on the London Stock Exchange.

Inflation

The increase in the general price level of goods and services in an economy.

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**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.

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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