Premier Miton
UK Multi Cap Income Fund
Six month update from 1 October 2025 to 31 March 2026

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

- After a strong rally early in 2026, global equities reached a peak as the Iran conflict triggered simultaneous falls in both global share and bond markets.
- A key feature of the Premier Miton UK Multi Cap Income Fund Income strategy is the broadness of its multi-cap portfolio, invested across the full range of market capitalisations and industry sectors.
- In the 6 month period ended 31 March, the fund delivered 6.21%. The FTSE All-Share Index returned +8.95%, whereas the FTSE AIM All-Share Index fell -7.75%. The IA UK Equity Income Sector rose by +4.84% over the six months.

Background - market overview

After a strong rally early in 2026, global equities reached a peak as the Iran conflict triggered a rare, correlated sell-off where we saw both the price of global company shares and bonds fall at the same time.

Despite market uncertainty and heightened volatile markets (bigger and more frequent market swings), the largest listed companies in the UK still appreciated over the period and continued to outperform most international indices, including the US. Importantly, contrary to the last five-year trend, market breadth widened somewhat recently, meaning more companies contributed to returns, rather than performance being driven by just a handful of companies, as some small energy and mining companies greatly outperformed. Many other small company share prices reflected the weak market trend however, so small company share prices as a whole still fell over the 6 months.

Fund performance

In the 6 month period ended 31 March, the fund delivered 6.21%. The FTSE All-Share Index returned +8.95%, whereas the FTSE AIM All-Share Index fell -7.75%. The IA UK Equity Income Sector rose by +4.84% over the six months.

The fund differs from many others in the IA UK Equity Income sector in that it seeks out the best UK-listed companies from an income and income growth perspective, including large, medium and smaller -sized companies, as well as those listed on the AIM (Alternative Investment Market) market. AIM is a market operated by the London Stock Exchange featuring smaller companies.

We believe investing across a wide investment universe can potentially generate a more sustained and growing stream of dividends over the longer term. The portfolio differences between the fund, the FTSE All-Share Index, the FTSE AIM All-Share Index and the IA UK Equity Income sector, however, mean its annual performance can sometimes differ considerably from these comparators.

With many portfolio holdings being UK small and medium sized companies, it might be assumed that the fund's positioning would have detracted from returns over recent periods. But investing across a wider investment universe offers scope for much greater company-specific added value, and the strategy continued to outperform the IA UK Equity Income sector over the period.

Positive contributors to fund performance came from a range of companies and sectors including CMC Markets, Plus 500, Man Group, Ithaca Energy and Pan African Resources. Companies such as Paypoint, Concurrent Technologies, Kenmare Resources, Bioventix and Lords Group Trading were the main detractors.

The income performance of the fund reflects the underlying health of companies in the portfolio and encouraging outlook.

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 (%)	31.03.2021 - 31.03.2022	31.03.2022 - 31.03.2023	31.03.2023 - 31.03.2024	31.03.2024 - 31.03.2025	31.03.2025 - 31.03.2026
Premier Miton UK Multi Cap Income Fund	1.41%	-10.48%	0.37%	6.77%	25.72%
FTSE All-Share Index	13.03%	2.92%	8.43%	10.46%	21.54%
FTSE AIM All-Share Index	-12.14%	-21.16%	-6.32%	-6.50%	7.08%
IA UK Equity Income Sector	10.84%	0.23%	7.62%	7.40%	16.24%

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.

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.

Portfolio activity

The fund's broad investment universe means it invests in numerous businesses that are not necessarily reliant on the sustained growth of the global economy. The investment process also favours management teams with a genuine focus on delivering good customer service. We believe these companies are often better placed to manage unsettled economic conditions.

Furthermore, the fund's portfolio income comprises the income from numerous holdings (dividends paid by different companies).

Hence, the fund's approach tends to deliver a stream of dividend income that has greater potential for growth as well as the potential to be more resilient than others during economic setbacks (given that it is derived from a wider range of stocks in terms of market capitalisations and industry sectors).

The portfolio remains lightly weighted in popular globalisation stocks, by this we mean the very largest global companies that can be affected by trade tensions, tariffs, geopolitical events or de-globalisation trends, which may disrupt supply chains or increase costs. So, despite new uncertainties following the Iranian conflict, there was very little need to adjust the fund's portfolio. Indeed, as the cost of capital rises (borrowing becomes more expensive) and asset markets become more volatile, many capital-intensive sectors such as energy and mining holdings have outperformed.

Furthermore, the fund has a form of 'insurance' in place, known as a put option, which is designed to help reduce losses if stock markets fall. This runs until June 2027 and currently applies to around 75% of the fund, meaning that roughly three quarters of the fund has protection in place against stock market falls. Put options are a type of derivative. Whilst put options can be an effective tool for risk management, investors should remain mindful of the associated risks. The value of put options can fluctuate significantly, and if the underlying asset does not move as anticipated, the option will expire and the amount paid for the 'insurance' is lost.

Outlook

During globalisation, relatively few companies failed. During recessions, since monetary stimulus could be injected at will, even "zombie" companies (businesses that generate little profit but survive because borrowing is cheap and funding is readily available) often survived.

Over the last decade or so, politics has shifted away from globalisation towards nationalism. Although this has created greater risks for companies, buoyant bond and equity markets have tended to mask those risks.

Interestingly, during the first quarter of 2026, many widely held companies saw their share prices move down in a similar way, reflecting the legacy of globalisation. Thereafter, with the Iran conflict, petrochemical shortfalls are creating additional challenges for the economy, reflecting disruptions to oil and gas supply. In addition, commodity price inflation suppresses economic demand, and if monetary and fiscal stimulus can no longer be used, recessions could be deeper.

When corporates get into financial difficulties or fail, equity income companies (those companies that pay dividends) can have disproportionate advantages. First, being cash generative, they are somewhat more resilient when demand is weak or bad debts are rising.

Second, as the weak companies fail, businesses that generate surplus cash can accelerate earnings and cash-flow growth, by acquiring over-leveraged but otherwise viable companies, debt-free from the receiver often for as little as £1.

Given this background, it is no surprise that stock exchanges like the UK, that are dominated by equity income stocks, performed well through 2025 and the first quarter of 2026. In the UK's case, this outcome occurred despite ongoing UK OEIC outflows (investors withdrawing money from UK funds).

With nationalism, 'me-first' politics may increasingly favour local corporates. In particular, this could benefit smaller companies and, given the scale of their share price underperformance over recent years, there is potential for performance to recover relative to larger companies.

A key feature of the Premier Miton UK Multi Cap Income Fund Income strategy is the broadness of its multi-cap portfolio, invested across the full range of market capitalisations and industry sectors. The fund's returns often move differently to other UK Equity Income Funds and the wider market.

We remain tremendously upbeat.

Gervais Williams and Martin Turner

Fund managers

Risks of investing

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 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.

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.

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.

Assets
Different groups of investments such as company shares, bonds, commodities or property.

Bond
Types of investments 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.

Capital
Describes financial assets, particularly cash, or other assets, such as shares, owned by a person or organisation.

Commodities
These are natural resources such as gold, oil, gas, metals or agricultural products that have practical uses and can be bought and sold on financial markets.

Dividends
The portion of its profits or capital that a company chooses to return to its shareholders. For a fund or trust, this is the payment of fund's income to its shareholders.

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

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 Equity Income sector
Funds in this sector are required to invest at least 80% in UK equities and which intend to achieve a historic yield on the distributable income in excess of 100% of the FTSE All Share yield at the fund's year end on a 3-year rolling basis and 90% on an annual basis.

Income shares
A fund may have accumulation and income shares. If an investor selects income shares, any income generated by the fund is paid out to the investor.

Investment Association (IA)
The trade association that represents investment management firms in the UK.

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.

Market capitalisation
The total value of the shares of a company, often referred to as 'market cap'. For example, large companies are referred to as 'large cap', medium sized companies as 'mid-cap' and small companies a as 'small cap'

Put option
A type of derivative. They can be used to protect the value of an underlying investment or group of investments against a fall in value and can be thought of as an insurance policy. These can make a fund more volatile from time to time.

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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