Marketing communication

Premier Miton

Diversified Growth Fund Range

Quarterly update from 1 Apr 2026 to 30 Jun 2026

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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.

Further information on the risks of investment, and glossary terms, are at the end of this document.

Market overview

Uncertainty about how the US-Iran conflict would be resolved and when the Strait of Hormuz might be re-opened was the key theme in financial markets through the second quarter of 2026. A 'Memorandum of Understanding' was finally signed between the US and Iran in the middle of June, not before the familiar Trump tactic of 'escalate to deescalate' had been used again. It had become clearer over the period that both sides were ultimately keen to reach an agreement, which increased investor confidence, leading to the oil price falling back and bond and equity markets reacting positively as well.

Similar to last year, following the escalation of US trade tariffs, global economies have remained surprisingly resilient in the face of profound geopolitical uncertainty. Shortages of raw materials driven by the closure of the Strait of Hormuz have not been as bad as feared, and economies have adjusted more quickly to oil supply constraints than many believed they could. The US economy also appears to have remained resilient, driven by surging investment in AI datacentres but also a broader industrial recovery.

However, it is difficult to have much confidence that hostilities will not be renewed, indeed, as this is being written, that appears to be the case. But it is a fluid, unpredictable situation.

In other economic news, the central banks of the US, UK, EU, Japan and Canada all held interest rate policy meetings in June, and all discussed similar concerns over their country's economic outlook; fears over ongoing inflationary pressures from the conflict in the Middle East and associated concerns expressed about the fragility of economic growth. Although their likely policy moves and actions did differ.

The US Federal Reserve left interest rates unchanged, but raised their forward looking expectations and noted inflation risks, whilst commenting that the economy was in good shape. The Bank of England also kept interest rates unchanged and is adopting a wait and see approach, as did Canada. The European Central Bank, however, felt the need to raise interest rates, with more likely to follow this year, Japan took a similar path.

An ongoing key driver of equity markets was Artificial Intelligence (AI). We have become used to the share prices of the giant, well known US technology companies such as Nvidia, Meta, Amazon and Microsoft being very strong, but this has become more related to the explosion in the growth of AI and the spending that is taking place to feed that growth. It is reasonable to generalise this as companies viewed as beneficiaries of AI have had strong share price growth and those that are seen as being negatively impacted have seen the opposite. Of course, there are exceptions to this. Through the quarter many semiconductor manufacturing companies did very well, as the theme moved onto computer memory chips being in favour.

Fund performance

Looking at what happened within the asset classes, in equities, there were significant increases in the share prices of semiconductor companies held, such as Korean giant Samsung and smaller European equivalent, STMicroelectronics. ASML, a Dutch manufacturer of cutting edge machines used to make computer chips, was also another notable contributor. Elsewhere, US health insurer United Health saw its shares bolstered by the announcement of higher than expected Medicare payments and the announcement of good profits.

In the equities portfolio, as usual, there were investments that were disappointing, these included German defence company Rheinmetall. Its share price was hit by an announcement stating that its profits were below expectations, and then the high profile cancellation of a warship contract by the German government. It was thought that the company had a good relationship with the government, and so the surprise cancellation had a significant impact on the price of the shares. The falling oil price also weighed on many of the energy exposed companies across the portfolio including oil services businesses SLB and TGS, as well as the majors Chevron, Exxon and Shell. Of course, should the oil price rise, we would expect the opposite reaction and believe it is prudent to keep exposure to this sector in the current environment.

It was a good period for the funds' allocation to property companies, which benefitted from easing anxieties about the Iran war. This was partly helped by strong financial results from holdings, including British Land and Great Portland Estates. As noted above, the sector can be impacted by interest rates, which was a negative at times during the period. German residential companies, which are particularly sensitive, were especially impacted.

The bond portfolio once again posted a positive return as the team continued to take advantage of new issuance of bonds. It was a strong period for the funds' exposure to alternative asset classes, which includes exposure to alternative assets through listed investment companies. Alternative asset classes are investments outside traditional shares and bonds, such as renewable energy, infrastructure, private markets, and commodities (such as gold). Important contributors included Cordiant Digital Infrastructure, which posted strong results, as well as the Renewables Infrastructure Group which took further steps to address their share price.

More information about how the funds have performed over different periods is available on the fund factsheets, 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 (%)	3 months to 30.06.2026	30.06.2021 - 30.06.2022	30.06.2022 - 30.06.2023	30.06.2023 - 30.06.2024	30.06.2024 - 30.06.2025	30.06.2025 - 30.06.2026
Diversified Cautious Growth Fund	**6.53**	**-2.32**	**-1.38**	**11.65**	**6.83**	**3.37**
IA Mixed Investment 20-60% Shares sector	6.53	-7.09	1.18	9.38	5.74	12.50
Diversified Balanced Growth Fund	**8.10**	**-4.33**	**0.63**	**12.78**	**6.77**	**4.09**
Diversified Growth Fund	**9.12**	**-5.52**	**0.42**	**14.43**	**6.82**	**4.00**
IA Mixed Investment 40- 85% Shares sector	9.44	-7.16	3.25	11.82	5.55	17.02
Diversified Dynamic Growth Fund	**10.13**	**-7.95**	**4.26**	**14.27**	**6.93**	**4.22**
IA Flexible Investment Sector	9.89	-7.09	3.29	11.78	4.99	19.00

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 funds. Fund factsheets are published on our website for each available share class.

Performance source: FE Analytics. Based on UK Sterling D income shares, on a total return basis. Performance is shown net of fees with income reinvested. On 20.01.2020, these funds 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 Diversified Growth Fund and Diversified Balanced Growth Fund are classified in the IA Mixed Investment 40%-85% Shares sector; the Diversified Cautious Growth Fund is classified in the IA Mixed Investment 20%-60% Shares sector; the Diversified Dynamic Growth Fund is classified in the IA Flexible Investment sector. We believe that these sectors are meaningful comparators to help investors assess the performance of the funds.

Portfolio activity

Several changes were made to the funds' overall asset allocation over the quarter. The most notable of these was to increase the target allocation to equities at the expense of bonds. We made this change because in our view conditions are supportive for equities as an asset class. Moves towards a more lasting resolution to the Iran conflict should improve investor sentiment. Importantly it should reduce risks to supply chains and consumer and business confidence, both of which can have a real world impact on companies' financial results. Economies globally have remained quite resilient and this too is supportive of corporate profits.

The allocation to property companies was adjusted to reflect both the changing risks and opportunities in the sector. We believe the long-term fundamentals of the asset class are attractive, but it can be sensitive in the short term to changing interest rate expectations. Most recently we have increased the allocation to the asset class as we think developing corporate merger and acquisition activity, may well be a catalyst for the sector to do well. We will continue to actively manage the exposure.

Outlook

A more stable situation in the Middle East would be a clear positive both for financial markets and the global economy. The US economy continues to benefit from significant spending on AI datacentre infrastructure, with signs also of a possible broader recovery in other parts of the economy, such as manufacturing. Amidst broadly positive news across the global economy, the UK remains mired in uncertainty as its political leadership changes.

From a global perspective there are clear risks. One is of further geopolitical uncertainty disrupting supply chains and causing oil price strength. Another risk is that equity markets have been driven higher by the large AI related companies which have become so big they are very influential on equity market indices, such as the S&P 500 Index in the US, and are very widely owned directly and through investment products that track such indices, including Exchange Traded Funds (ETFs). This is because there is a growing school of thought that their share prices have risen so far, that they look expensive, even though they are predicted to grow revenues and profits quickly. It is prudent to remain vigilant of this risk.

Overall, though, the world economy has been robust in the face of clear challenges, whilst bond markets have embraced the risks and parts of the equity market have carried on regardless.

We will continue to manage the asset allocation and individual investment selection actively according to our view of the geopolitical, economic and financial market conditions.

The Premier Miton Diversified Fund Range Investment team

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.

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

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 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 / income 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. With income shares, any income generated by the fund is paid out to the investor.

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

Bonds (or fixed income)
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.

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

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 Flexible Investment sector
Funds in this sector are required to have a range of different investments. However, the fund manager has significant flexibility over what to invest in. There is no minimum or maximum requirement for investment in company shares (equities) and there is scope for funds to have a high proportion of shares. The manager is accorded a significant degree of discretion over asset allocation and is allowed to invest up to 100% in equities at their discretion.
• No minimum equity requirement
• No minimum fixed income or cash requirement

IA Mixed Investment 20-60% Shares sector
Funds in this sector are expected to have a range of different investments. The fund must have between 20% and 60% invested in company shares (equities). At least 30% of the fund must be in fixed income investments (for example, corporate and Government bonds) and/or “cash” investments. “Cash” can include investments such as current account cash, short-term fixed income investments and certificates of deposit.
• Maximum 60% equity exposure (including convertibles)
• Minimum 20% equity exposure
• Minimum 30% fixed income and cash
• Minimum 60% investment in established market currencies (US Dollar, Sterling & Euro) of which 30% must be Sterling
• Sterling requirement includes assets hedged back to Sterling

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.

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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