

# Premier Miton Diversified Income Fund

Sterling class D - Income shares

## Objective

The objective of the fund is to provide income together with the potential for capital growth over the long-term, being five years or more. Five years is also the minimum recommended period for holding shares in this fund. This does not mean that the fund will achieve the objective over this, or any other, specific time period and there is a risk of loss to the original capital invested.

Income will be paid four times a year as dividend distributions.

## Fund facts

Fund size	£97.5m
Historic yield	4.71%
Launch dates	Fund - 19 Jun 2017 Share class - 19 Jun 2017
Fund structure	OEIC
Reporting dates	Final - 29 Feb Interim - 31 Aug
Base currency	GBP
Valuation point	12:00 noon
ISA eligible	Yes
Investment Association sector	IA Mixed Investment 20-60% Shares
Performance comparator	IA Mixed Investment 20-60% Shares

Please see page 3 for further information.

## Fund manager



Lead fund manager  
**Neil Birrell**  
 Joined Premier Miton  
**Jan 2013**  
 Manager since  
**Jun 2017**

## Fund codes

ISIN	GB00BYPDV970
Sedol	BYPDV97
Bloomberg	PREDIDG:LN

## Minimums

Initial £1m	Top-up £100,000	Withdrawal £100,000	Holding £1m
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## Investment overview

- A diversified, multi-asset, directly invested, income-focused fund.
- Invests in different types of assets, to help spread investment risk and broaden the investment opportunities for generating income, including fixed income (bonds), equities (company shares), property company shares and alternative investments.
- Between 30% and 60% is invested in equities. The allocation to equities is expected to

generally exceed the allocation to any other asset class, but in certain market conditions the allocation to fixed income investments may exceed that of equities.

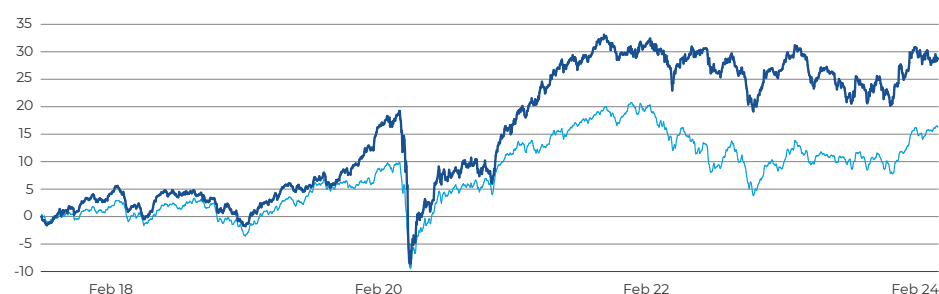
- Lead fund manager supported by Premier Miton's specialist investment teams covering the different asset classes.
- The portfolio is actively managed to ensure the appropriate risk is being taken.

## Awards and ratings



Awards and ratings are based on past events and are not an indication of future performance. Ratings are not a recommendation. Please see page 4 for further information.

## Performance since fund launch (%)



Cumulative performance (%)	1m	3m	1y	3y	5y	10y	Fund launch
Fund	-1.16	2.51	0.51	7.87	27.07	-	29.83
Sector	0.51	3.94	4.63	4.20	15.87	-	16.32

Calendar year performance (%)	2019	2020	2021	2022	2023	YTD
Fund	18.00	0.38	12.82	-3.83	3.95	-1.54
Sector	11.84	3.51	7.20	-9.47	6.81	0.11

Discrete annual performance (%)	28.02.19 28.02.20	28.02.20 26.02.21	26.02.21 28.02.22	28.02.22 28.02.23	28.02.23 29.02.24
Fund	9.38	7.70	5.78	1.46	0.51
Sector	4.40	6.51	2.55	-2.88	4.63

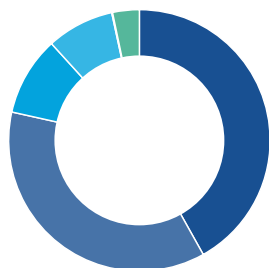
Source: FE Analytics. Based on Sterling class D - Income shares, on a total return basis to 29 February 2024. Performance is shown net of fees with income reinvested. On 20.01.2020, this fund moved from a single pricing basis (mid) to a swing pricing basis.

**Risks:** The value of investments may fluctuate which will cause fund prices to fall as well as rise and investors may not get the original amount invested. The performance information presented on this page relates to the past. Past performance is not a reliable indicator of future returns. More information about the risks of investment is provided later in this document.



## Portfolio breakdown

### Asset allocation (%)



<b>Equities</b>	<b>41.9</b>
UK equities	27.4
North American equities	5.6
Europe ex UK equities	5.3
Emerging markets equities	1.9
Japan equities	1.6
<b>Fixed income</b>	<b>36.6</b>
UK corporate bonds	19.5
International corporate bonds	12.6
Alternative fixed income	3.5
Mortgage	0.8
Convertibles	0.2
<b>Property shares</b>	<b>9.8</b>
International property shares	6.2
UK property shares	3.6
<b>Alternative investments</b>	<b>8.3</b>
Other alternatives	8.0
Defensive strategies	0.2
Alternative strategies	0.1
<b>Portfolio hedge</b>	<b>0.1</b>
Portfolio hedge	0.1
<b>Cash</b>	<b>3.3</b>

### Largest holdings (%)

<b>Top 5 equities</b>	<b>6.0</b>
Broadcom	1.4
AbbVie	1.2
Vinci	1.2
Bank Rakyat Indonesia	1.1
Erste Group	1.1
<b>Top 5 non-equities</b>	<b>8.3</b>
Premier Miton Strategic Monthly Income Bond C Inc	3.4
Vonovia	1.3
TP ICAP Finance 5.25% 29/05/2026	1.2
Virgin Money UK 4.0% 25/09/2026	1.2
Solventum 5.60% 23/03/2034	1.2

### Geographic - equities (%)

UK	65.4
North America	13.4
Europe ex UK	12.7
Emerging markets	4.6
Japan	3.9

### Sector - equities (%)

Financials	28.5
Consumer Discretionary	14.4
Consumer Staples	12.3
Health Care	10.4
Industrials	10.3
Information Technology	6.3
Materials	5.0
Energy	4.9
Communication Services	4.7
Utilities	2.8
Real Estate	0.4

## Charges

<b>Ongoing charges figure (OCF)</b>	0.65%
as at 28.02.2023	

The OCF is based on the last year's expenses and may vary from year to year. It excludes the costs of buying or selling assets for the fund (unless these assets are shares of another fund). The OCF includes the annual management charge. Transaction charges will also apply. Please refer to the [total costs & charges document](#) on our website for more information.

<b>Initial charge</b>	0.00%
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### Charges are taken from capital

As the objective of the fund is to treat the generation of income as either an equal or higher priority than capital growth, the fund's charges will be taken from capital instead of income. This may result in higher levels of income payments but could result in capital erosion or constrain capital growth.

## Income

<b>Historic yield</b>	4.71%
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The historic yield reflects distributions declared over the past twelve months as a percentage of the fund price as at the date shown. It does not include any preliminary charge and investors may be subject to tax on their distributions.

**The yield is not guaranteed and will fluctuate.**

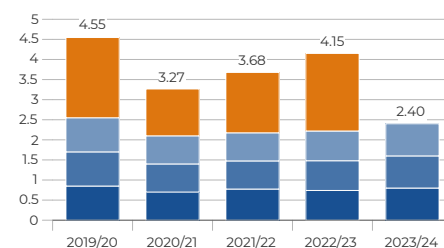
<b>Payment frequency</b>	Quarterly
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<b>Payment dates</b>	30 Apr, 31 Jul, 31 Oct, 31 Jan
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<b>Ex dividend dates</b>	1 Mar, 1 Jun, 1 Sep, 1 Dec
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### Income distribution (pence per share)

Total income distributions in each of the fund's last 5 financial years.



**The dividend amount that is paid each year can go down and up and is not guaranteed**



## Performance comparator

The fund is classified in the IA Mixed Investment 20% to 60% shares sector, which we believe is a meaningful comparator to

help investors assess the performance of the fund.

## General risks

Reference to any stock or fund is not a recommendation for investment purposes. All types of investment carry a degree of risk. It is possible you could lose some, or all, of the money you invest. The level of risk varies depending on the type of investment. Typically, you are less likely to lose money over the long term 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.

When you invest, it is important that you understand the risk to your money and are comfortable with that level of risk. If you are unsure, we would recommend that you consult a financial adviser.

The value of your investment might not keep up with any rise in the cost of living.

You could lose money if financial markets fall.

There is no guarantee that the investment objective of the fund will be achieved.

The levels of taxation that apply to income or capital gains from the fund, including any tax relief that may be available, will depend on your personal tax situation.

Funds with similar objectives may not perform in the same way as they are likely to have different holdings.

Fund performance will be affected by investment decisions made by the fund manager.

## Specific

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

### Alternative investments

These typically behave differently to traditional investments such as bonds and equities. They can include a range of assets such as specialist lending, private equity, hedge funds and gold. Adding alternative investments to a portfolio can help to make it more diverse but can also make it more volatile.

### Call options

A type of derivative. Call options can be used for a number of reasons; they can be used to generate income or to gain exposure to an asset. These can make a fund more volatile from time to time.

### Collective investment schemes (funds)

Where other funds are held in a portfolio, or where there is indirect exposure to other funds, these could include higher-risk investments like hedge funds, property funds or commodity funds (e.g. investing in gold, oil), which would increase the overall risk in the fund.

### Counterparty credit

Some securities or financial instruments rely on payments or guarantees from a counterparty. This is a role usually undertaken by a bank or similar entity.

### Currency

Where investments in a fund are denominated in currencies other than sterling (for example, if a fund holds assets priced in euros), its value will be affected by changes in the relevant exchange rate. Certain other investments, such as the shares in companies with profits from other countries, will also be affected.

### Derivative

A contract whose value is based on the change in price of a specific asset or index. When derivatives are used within a fund, it doesn't necessarily increase risk. However, price changes in the underlying asset can translate into big swings in the value of derivatives (up and down), which has a direct effect on the value of the fund.

### Emerging markets

Investments made in bonds, equities or other assets in less-developed countries generally carry higher risk than in developed countries.

### Equities

Equities (shares) can experience high levels of price fluctuation.

### Fixed interest securities

Government and corporate bonds generally offer a fixed level of interest to investors, so their value can be affected by changes in interest rates. When central bank interest rates fall, investors may be prepared to pay more for bonds and bond prices tend to rise. If interest rates rise, bonds may be less valuable to investors and their prices can fall.

### Futures (contracts)

A type of derivative. They allow investors to buy or sell an index, or other asset, today to be settled at a date in the future. These can make a fund more volatile from time to time.

### Gearing / leverage

Funds that use gearing / leverage (this can be achieved by the use of derivatives) can experience significantly higher price fluctuations.

### Hedging

A hedge is designed to offset the risk of another investment falling in price. It can also act as a limit on potential gains if the investment that has been hedged increases in value.

### Inflation

Higher inflation can lead to some investments falling in value, particularly those with a fixed level of interest, for example government bonds and corporate bonds.

### Infrastructure

Investments are often in large-scale projects whose profitability can be affected by supply problems or rising prices for raw materials or natural resources. Changes in the wider economy and government regulation can also have a significant influence.

### Interest rate

Changes in central bank interest rates can affect all types of assets, in particular, securities such as government bonds and corporate bonds that generally offer a fixed level of interest. If interest rates go up, the value of a bond may fall, and vice versa.

### Issuer credit

There are times when the issuer of a security (for example, a company that has issued a bond) is unable to make income payments or repay its debt. When this happens it can result in losses for the fund.

### Legal and tax

The income or capital gains from investments can sometimes be affected by changes in legal and tax regulations or how these rules are applied.

### Liquidity

In some instances, for example, when market conditions generally are difficult, holdings in a fund may be difficult to sell and buy at the desired price. The fund value could fall as a result.

### Non-investment grade bonds

Bonds with a higher risk that the bond issuer might not meet its income or repayment obligations, as assessed by independent bond rating companies.

### Operational

Processes, systems and controls around your investment might fail. The more complex or unusual the investments that the fund holds, the more likely this is to happen. For example, developing markets may have less reliable systems or lower standards of governance than more developed markets.

### Over The Counter derivatives (OTC)

These are types of derivatives that are not traded on a public exchange. Agreed privately between two parties, OTC derivatives can be tailored to meet the exact needs of each party. They can make a fund more volatile from time to time.

### Property and Real Estate Investment Trusts

Property values can rise and fall sharply depending on the strength of a country's economy.

### Put-options

A type of derivative. Put-options can be used for a number of reasons. For example, they can be used to protect the value of an underlying investment or group of investments against a fall in value. They can be thought of as an insurance policy. These can make a fund more volatile from time to time.

### Smaller companies

Investment in smaller companies is typically higher risk than investment in larger companies. Shares in smaller companies can experience greater levels of volatility.

### Structure

The providers of the Collective Investment Schemes in which the fund invests may experience operational or credit issues which could impact the value or liquidity of their funds.

### Structured investments

These investments are built around a derivative and have specific criteria that need to be met to deliver a positive return. If these criteria are not met, the investment can fall sharply in value.



## Ratings, awards and other information

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A swing pricing 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. Distribution Technology provide the Dynamic Planner® risk-profiling services in connection with these funds. Distribution Technology is not authorised to provide financial advice. We do not have any influence over the risk profiles or the methodology used to create them, and we are unable to provide assurances as to their accuracy or that they will not change, or that Distribution Technology will continue to provide these risk profiles in the future.

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## Glossary

### Accumulation shares

A fund may have accumulation and income shares. If an investor selects this share type, 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.

### ACD

Authorised Corporate Directors (ACDs) are responsible for the running of an investment fund. They have a duty to act in the best interests of the fund's investors, and ensure that the fund is well managed in line with regulations and with the investment objectives and policies set out in its prospectus.

### Alternative investments / assets

Typically 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.

### Annual management charge (AMC)

The yearly fee paid to Premier Miton for managing a fund, expressed as a percentage of your investment. The AMC does not typically change from year to year.

### 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.

### Capital

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

### Capital growth

The increase in the value of an asset or investment over time, measured by its current value compared to its purchase cost.

### Convertible bonds

A type of bond that the holder can convert into shares of the issuing company in certain circumstances.

### Dividends

The portion of its 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.

### Emerging markets

Countries with less developed financial markets and which are generally considered riskier than investing in developed markets.

### Equities

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

### Hedge

An investment which aims to mitigate the effect of adverse price movements in an asset or group of assets.

### Hedge fund

A portfolio of investments that uses advanced investment strategies. Hedge funds range from low risk to very high risk and are usually not regulated. Investing in hedge funds is usually only suitable for sophisticated, experienced investors.

### 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 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

### Individual Savings Account (ISA)

A type of tax-free scheme, set up by the government, designed to help people make the most of their savings and investments. All income and gains from an ISA investment are exempt from UK Income Tax and Capital Gains Tax. HM Revenue and Customs sets the maximum amounts that you are allowed to invest into an ISA each tax year.

### Multi asset

A fund that invests across a combination of different asset classes, such as commercial property, company shares, bonds and alternative investments with the aim of increasing diversification and reducing risk, and achieving specific investment objectives such as paying an income.

### Ongoing Charges Figure (OCF)

A measure of what it costs to invest in a fund over a year. It includes the fee paid to Premier Miton for the management of the fund (known as the annual management charge), with the remainder covering costs that have to be paid to external companies for other services relating to the ongoing administration and management of a fund, such as the fees paid to the depositary, custodian, regulator, auditor and administrator. The fee is deducted from the value of the fund and reflected in the fund's share price. The OCF is typically calculated once a year and can change from year to year.

### Real estate investment trust (REIT)

A company that owns and manages property on behalf of shareholders. A REIT can contain commercial and/or residential property.

### 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.

### Yield

The dividend per share divided by the stock's or fund's price per share and expressed as a percentage. The historic yield is the dividend income distributed during the past year and expressed as a percentage of the share price on a particular day.

## Contact us

From 9:00am to 5:30pm, Monday to Friday, excluding bank holidays.



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We are unable to give financial advice. If you are unsure about the content contained within/suitability of the funds mentioned, please speak to a financial adviser.

All data is sourced to Premier Miton unless otherwise stated.

A free, English language copy of the fund's full prospectus, the Key Investor Information Document and Supplementary Information Document are available on the Premier Miton website, or you can request copies by calling us on 01483 306090.

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