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Money Wise UK[®]

Growing together, with integrity and respect



Premier Miton UK Money Market Fund – Fund Research Summary

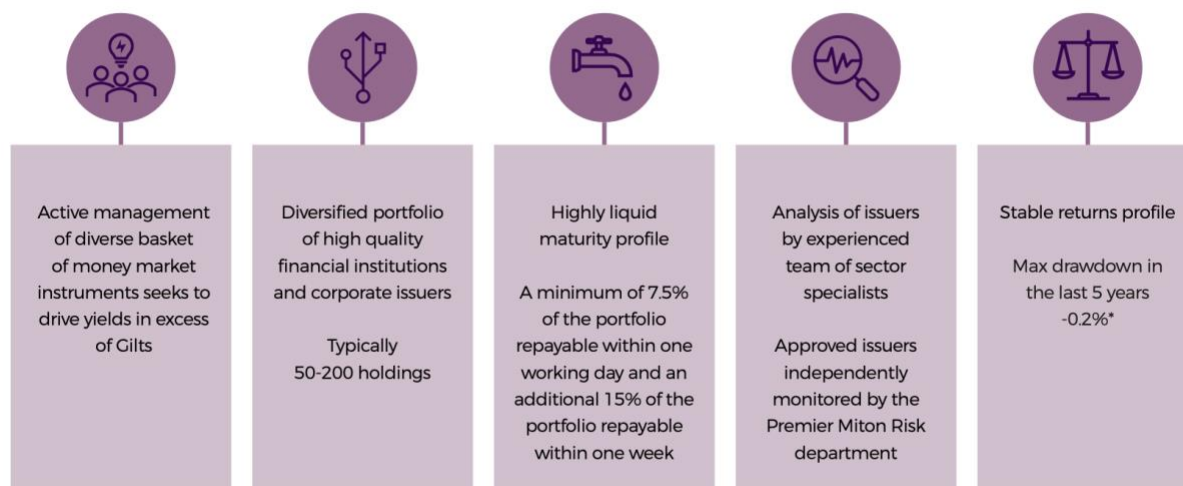
Strategy Overview

The Premier Miton UK Money Market Fund is a sterling money-market fund whose objective is to generate a stable income with low volatility. It is a UK-authorized UCITS Standard VNAV Money Market Fund (not a constant NAV or LVNAV fund). The fund holds very short-dated UK money-market instruments (deposits, certificates of deposit and short-term bonds) with an average maturity of about 111 days. It distributes income quarterly (four times a year) and is rated Risk 1 (lowest category) for volatility. The managers invest primarily in high-quality sterling-denominated issuers (banks, building societies, governments) and aim to position the portfolio for changes in UK money-market rates. In practice, they target yields above UK government bond yields while preserving liquidity and credit quality. (The distribution yield is currently 3.87%, reflecting attractive income in the current high-rate environment.)

The fund is actively managed (no external support or guarantee of NAV) and uses top-down macro analysis of interest rates and issuer strength. Premier Miton emphasises picking high-quality issuers and strict diversification: no more than 20% is invested in any one bank or issuer, and UCITS rules cap any single holding at 10% of NAV (with a 40% cap on 5%-10% holdings). Under the UK Money Market Fund regulations the Fund must also maintain at least 7.5% of its assets maturing within one working day and a further 7.5% within one week. These rules together ensure very high liquidity and tight credit controls in support of the fund's low-risk income objective.

Fund framework

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Team

The fund is co-managed by Lloyd Harris and Hoy Wan, supported by assistant manager Kishan Paun and a team of fixed income analysts. Lloyd Harris (Head of Fixed Income at Premier Miton) joined the firm in 2020; he was previously at Merian Global Investors managing corporate bond strategies. Hoy Wan has managed the fund since 2016 and holds the CFA Certificate in ESG Investing. Both Harris and Wan became co-managers of this fund in October 2021.

Fixed income fund management team

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Lloyd Harris
Fund manager &
Head of Fixed Income



Simon Prior
Fund manager



Hoy Wan
Fund manager



Kishan Paun
Assistant fund
manager



Anish Shah
Trader



Sean Duff
Credit Analyst



Toby Williams
Credit Analyst



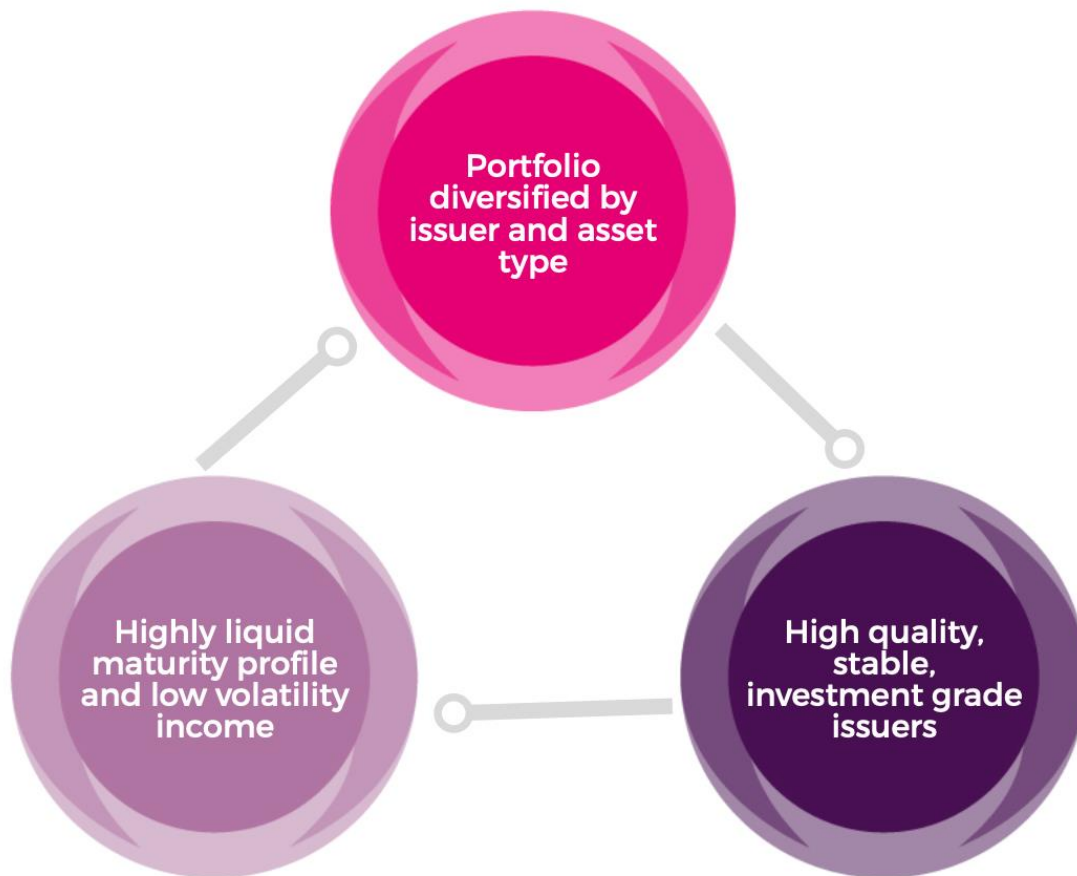
Joe Macland
Credit Analyst

Kishan Paun joined in 2020 as a credit analyst with a focus on ESG factors, and was promoted to Assistant Fund Manager in late 2024. Together the managers average about 12 years' investment experience.

The broader fixed-income team provides additional credit research and oversight. Analysts such as Toby Williams, Seán Duff and Joe Macland (all Chartered Financial Analyst candidates) contribute specialised analysis of banks and corporates. There is also a dedicated risk and compliance team. In the managers' absence, each co-manager can assume full responsibility and draw on the rest of the fixed-income team. Overall, the team is well-resourced for monitoring issuers and market conditions, with extensive internal models and external data tools (Bloomberg, rating-agency reports, etc.).

Process

The investment process is disciplined and risk-aware.



Portfolio construction starts with fundamental credit analysis of issuers (financial institutions and corporates) using proprietary models that examine capital buffers and distributable reserves. The managers then consider each candidate's liquidity (ease of sale) and maturity (remaining life) before purchase. In selection, the three key criteria are credit quality, liquidity and maturity. They only buy high-quality instruments that meet the internal Approved Issuer List (maintained by Premier Miton's risk team). By policy, no holding exceeds 20% of the fund, and UCITS concentration rules further cap single issuers to 10%.

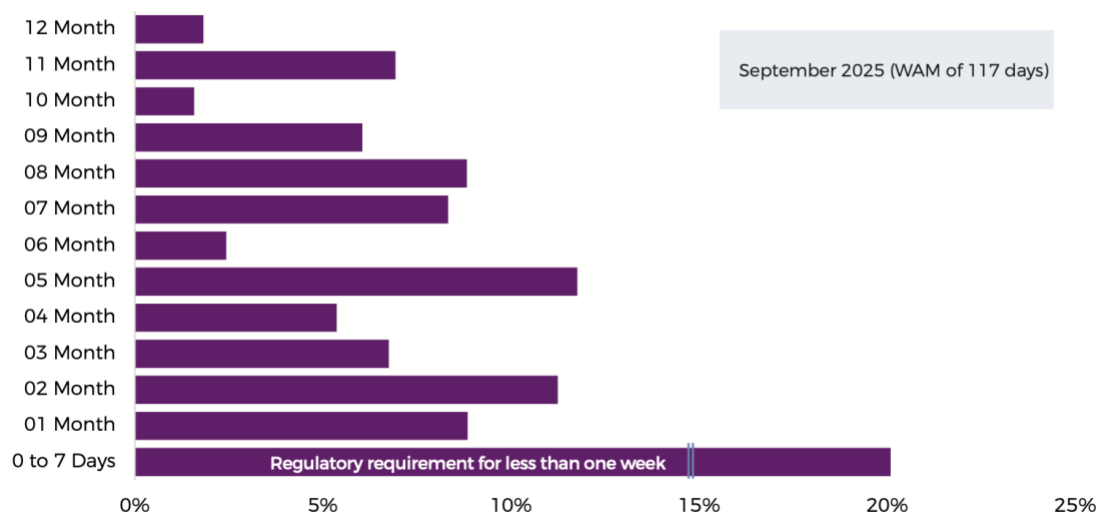
Once in the portfolio, all holdings are continuously reviewed for risk-return and liquidity. The managers use Bloomberg's Portfolio Analytics (PORT) and other tools to monitor exposures

and conduct stress tests. An independent risk team (and the Investment Risk Committee) regularly reviews portfolio compliance and can veto trades or require adjustments.

The fund does not use leverage or derivatives, and retains a very short overall duration (avg. 111 days).

Active maturity management

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When new investments are needed, sales are made in line with market conditions to protect liquidity. The process is actively managed – positions can be trimmed or added to reflect changes in interest-rate forecasts or credit views (for example, lengthening maturities when yields are expected to rise). The managers explicitly consider the macro environment; indeed, asset-allocation decisions are guided by top-down views of inflation, growth and Bank of England policy.

Portfolio

As of late 2025, the fund's portfolio is well-diversified across high-grade short-term instruments.

Premier Miton UK Money Market Fund Sterling class B - Income units

FACTSHEET 31 October 2025

Portfolio breakdown

Top 10 exposures (%)



Nationwide Building Society	6.8
ABN AMRO Bank N.V.	6.8
Banco Bilbao Vizcaya Argentaria, S.A.	5.1
First Abu Dhabi Bank P.J.S.C.	4.1
Landesbank Baden-Wuerttemberg	4.0
Citigroup Inc.	3.8
ING Groep N.V.	3.7
NatWest Markets PLC	3.5
Leeds Building Society	3.4
Belfius Bank S.A./N.V.	3.4

Asset allocation (%)



Fixed rate bonds	49.9
Certificates of deposit	28.7
Cash deposits	18.8
Cash & equivalent	2.7

Maturity (%)



Under 3 months	49.9
3-6 months	22.9
6-9 months	17.2
9-12 months	10.0

The weighted average maturity and life are both about 111 days, meaning nearly all holdings mature in less than a year. The portfolio is split roughly as follows: ~50% in fixed-rate short-term bonds, ~29% in certificates of deposit (CDs), ~19% in sterling deposit accounts, and ~3% in cash equivalents.

By issuer, the largest exposures include major UK building societies (e.g. Nationwide 6.8%, Leeds BS 3.4%) and global banks (e.g. ABN AMRO 6.8%, Santander/BBVA ~5%, LBBW 4%). The top 10 holdings represent about 45% of the fund; the remainder of the portfolio is spread across 50–200 issuers in total. This broad issuer base helps cushion any one default.

Key figures from the portfolio (class B) include a distribution yield of 3.87% (annualised income as a percentage of the fund price) and an ongoing charge of 0.27%. There is no initial charge on purchases (0.00%). All fees are taken from income (if insufficient, from capital). The fund is available in both Income and Accumulation share classes; the income class pays quarterly dividends. The latest fund factsheets show that distribution yields and underlying yields coincide at 3.87% because expenses are charged to income.

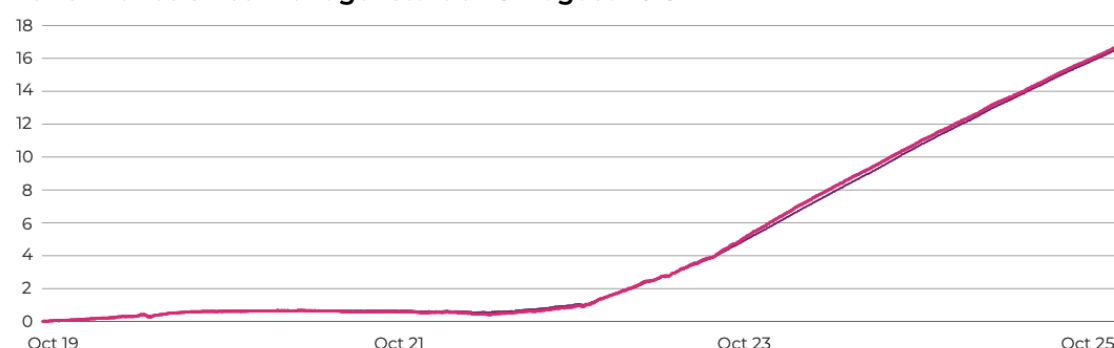
Performance

Historically this money-market fund has delivered modest positive returns in line with high-quality cash instruments.

Performance summary (%)

Fund share class ■ Sterling class B - Income shares
Performance comparator ■ Sector: IA Standard Money Market

Performance since manager start on 9 August 2019



	1 month	3 months	1 year	3 years	5 years	10 years	Manager start
■ Fund	0.37	1.04	4.49	15.15	15.92	18.18	16.66
■ Sector	0.37	1.05	4.55	14.97	15.74	18.06	16.51

	2020	2021	2022	2023	2024	YTD
Fund	0.42	-0.09	1.38	5.01	5.09	3.70
Sector	0.43	-0.05	1.28	4.74	5.21	3.74

	30.10.20 29.10.21	29.10.21 31.10.22	31.10.22 31.10.23	31.10.23 31.10.24	31.10.24 31.10.25
Fund	-0.12	0.79	4.67	5.29	4.49
Sector	-0.06	0.73	4.38	5.35	4.55

Its risk profile is very low – it is rated 1 on a 1–7 scale – but “low” does not mean risk-free. The fund’s recent performance reflects the rising interest-rate environment. For example, over the 12 months to 31 Oct 2025 the fund returned about 4.5% (net of fees) compared to 4.55% for the IA Standard Money Market sector. Longer-term, performance is similar to peers: the 3-year total return is ~15.15% vs 14.97% for the sector, and 5-year is ~15.92% vs 15.74%^[31]. Year-by-year, returns were roughly flat in 2020, slightly negative in 2021, then picked up to +1.4% in 2022, and around +5.0–5.1% in 2023 and 2024 (during the peak rate-

hike phase). The fund's track record generally meets expectations for a short-term cash fund: it has preserved capital well, and its performance after fees has been competitive.

On risk, the fund's maximum drawdown has been negligible – consistent with a “cash” mandate. It did experience minor NAV dips (for example, a few tenths of a percent in 2021), but no material losses; as the managers note, “drawdown... not applicable; it's a cash fund”. Volatility is similarly very low (hence the Risk 1 ranking). Because this is a VNAV money market fund, slight NAV fluctuations can occur, but over multi-year periods the fund has tended to outperform typical cash savings and government bills.

Macro and Themes

The fund is positioned for the current UK interest-rate and credit environment. The managers have emphasised a macro-driven, flexible stance: they actively adjust the portfolio as sterling rates move. For example, as UK inflation peaked, money-market yields rose sharply; the fund locked in higher short-term rates while preserving liquidity. With Bank Rate currently around 4%, the fund's yield (3.87%) is roughly in line with official rates. The managers monitor inflation and growth forecasts closely – their “top-down analysis of issuer strength and macroeconomic factors” informs asset allocation.

If interest rates are cut in coming quarters (as many expect), the fund's short maturity profile means income would decline quickly, but it would avoid the capital losses of longer-term bonds. Conversely, if rates remain high or rise, the fund will continue to earn attractive yields. Credit spreads on high-grade issuers remain tight in sterling markets, and the team's proprietary credit models help them detect any signs of stress. In practice, the fund stays fully invested in cash-like instruments; unlike fixed-income funds, it will not chase returns by moving into longer debts or lower-rated paper. Instead the theme is capital preservation with income: it offers a liquid “cash plus” solution – more stable than equities or bonds, with higher yield than a bank account.

Strengths

- **Capital preservation focus:** The fund is designed for safety and liquidity. It holds only high-quality, short-term instruments and meets strict Money Market Fund regulations. There is no leverage or exotic risk, and internal limits (e.g. 20% per issuer, strict maturity caps) add extra protection.
- **Experienced, dedicated team:** Co-managers Harris and Giffard have a long track record in fixed income, supported by several analysts. The fund benefits from the firm's robust risk infrastructure (independent risk/compliance teams, regular stress testing, and an Investment Risk Committee that monitors all trades).
- **Active management and research:** The fund uses a proprietary credit analysis model, enabling in-depth issuer evaluation. Managers believe this specialisation is a

competitive edge – allowing them to aim for yields above Gilts while maintaining low volatility.

- **Regulatory oversight and diversification:** It is a UK UCITS money-market fund and cannot exceed UCITS concentration limits. It also meets FCA MMF rules on daily/weekly liquidity, which is crucial for cash-like investments.
- **Consistent income generation:** With quarterly payouts and a current distribution yield of **3.87%**, it has delivered far higher income than traditional cash accounts (especially during the 2022–23 rate rise). Past distributions (see factsheet) show the fund restored income after years of near-zero coupons.
- **Value for investors:** Although the ongoing charge (0.27%) is slightly above some peers, an independent assessment found that after fees the fund met its performance targets and “provided value overall”. (The initial charge is zero, and the ongoing charge is a straight pass-through of costs.)
- **Responsible investing:** Premier Miton applies ESG considerations proportionately across its funds. In this fund, the team integrates ESG factors into credit analysis (the managers and analysts hold ESG certifications), and the firm engages in stewardship (dialogue and voting) on issuers.

Risks

- **Capital risk:** Despite its defensive mandate, the fund is not risk-free. Its UCITS Risk Indicator of 1 simply means low volatility, not zero risk. In rare circumstances (e.g. a sudden issuer default) the NAV could fall, and investors may get back slightly less than they invested. Indeed, Premier Miton warns that “the amount invested can go down as well as up” and returns may lag inflation.
- **Interest-rate risk:** Short-duration funds are most sensitive to changes in policy. If UK rates fall, the fund’s NAV could rise modestly but its future income will drop. (For example, when base rate fell into 2023, distributions shrank sharply.) Conversely, if inflation remains elevated, the real return (yield minus inflation) could be negative, as this fund’s return is modest and not inflation-indexed.
- **Credit risk:** The portfolio holds deposits and instruments issued by banks and corporates. A severe credit event (e.g. bank stress) could force markdowns or liquidity strains. The managers mitigate this with strict credit models and issuer limits, but risk cannot be entirely eliminated.
- **Liquidity and concentration:** The fund is relatively small (£292m) and one investor holds ~14%. If a large holder redeems, the managers would have to sell assets, potentially at a discount. That said, the very short maturities (nearly half repay within 3 months) and MMF liquidity requirements (7.5% daily, 15% weekly) significantly limit liquidity risk.
- **Regulatory risk:** Changes in money-market regulation (post-2023 reforms) could alter fund rules or disclosures, though Premier Miton has structured the fund to comply with current UK MMF rules. The VNAV status means no guarantee of price

stability; unlike legacy cash funds, the NAV can fluctuate in response to market conditions.

- **Opportunity cost:** Investors must remember this fund is essentially a cash alternative. Over long periods, it will underperform growth assets. Relying too heavily on this fund could mean missing out on higher long-term returns from equities or bonds.

Role in Retirement

For retirees or pensioners, this fund can serve as a cash-equivalent or “liquidity reserve” within a broader portfolio. It is designed for clients seeking a regular income above normal cash rates, but with low volatility. The quarterly income can be used to meet living expenses without drawing down riskier assets. Key points for retirement use include:

- **Stable, regular income:** Quarterly distributions (currently at a yield of 3.87%) provide a predictable income stream that can supplement pensions or annuities.
- **High liquidity:** Funds are on call (pricing daily), making this suitable for emergency cash or short-term needs. The immediate- and one-week liquidity requirements (7.5% and 15% respectively) ensure the fund can meet redemptions.
- **Low volatility:** As Risk Category 1, it helps dampen portfolio swings. Holding a portion of a retiree’s assets here can reduce sequence-of-returns risk (minimizing the impact of equity market downturns on withdrawals).
- **ISA/SIPP eligible:** The fund is available in both UK-SICAV wrappers and is ISA-eligible, and can be held in SIPP/OCI. This makes it easy to use as a “cash bucket” in tax-efficient wrappers.
- **Client suitability:** The target-market documentation notes it is suitable even for first-time investors or those with basic knowledge. It is often recommended by advisers for clients who want a safe “cash plus” alternative: those “looking for higher return/income than cash deposits, regular income, and low volatility”.
- **Complement to growth assets:** Importantly, it should only be part of a retirement portfolio – typically 20–40% in conservative allocations, with the rest in higher-return assets. It preserves capital but (like a savings account) cannot outpace inflation over time.

In summary, the Premier Miton UK Money Market Fund offers pensioners a liquid, low-risk way to earn better yields than a bank account while keeping their capital secure. It can play the role of a “cash segment” in a decumulation strategy, providing income and stability alongside more volatile investments.

Summary / Conclusion

The Premier Miton UK Money Market Fund is a high-quality cash fund managed by an experienced fixed-income team. Its strategy is clear: invest in short-term, high-quality money-market instruments to deliver a modest but stable income. The portfolio is tightly controlled for credit and liquidity, with an average maturity of only ~111 days and strict issuer limits. Historically it has achieved returns in line with money-market expectations and currently yields close to 4%.

Its strengths lie in capital preservation and professional management. The co-managers (Harris and Wan) have a solid track record and full support of Premier Miton's risk systems. The fund's processes (proprietary credit models, top-down macro positioning, UCITS/MMF constraints) are well-suited to a post-Covid, higher-rate environment. An independent review rated it as providing overall value, despite slightly higher fees, thanks to competitive performance after costs.

The main risks are the usual ones for any money-market fund: it is not a risk-free deposit, and its yield is sensitive to policy rates. Investors should be aware that if UK rates fall, future income will shrink (as the recent dip in distributions showed). However, for investors who accept these caveats, this fund offers better returns than bank deposits combined with quick access to cash.

In a retirement-income context, it can form the conservative backbone of a portfolio. It meets regulatory standards for liquidity and diversification, and is classified as suitable for all retail and professional clients. Overall, it is a robust option for UK investors needing low-volatility income – for example, retirees keeping a portion of their assets in money market instruments. All else equal, this fund should appeal to clients whose priority is capital security and dependable income rather than high growth.

Disclaimer

Past performance is not a reliable guide to future results. The value of investments can fall as well as rise, and investors may not get back the amount originally invested.

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