

MI Quilter Cheviot Investment Funds

Value Assessment 2024

Reporting End Period 31st August 2024



Introduction to the ACD Assessment of Value

The ACD is required to provide an annual statement for the Company attesting that; in the opinion of the ACD; "The costs of associated services provided to the Company under the appointment or oversight of the ACD and any other fees chargeable to the scheme property, represent value for money taking into account the criteria as set out by the Regulator under COLL 6.6.20R".

Value Assessment Criteria

AFM Costs

In relation to each charge, the cost of providing the service to which the charge relates, and when money is paid directly to associates or external parties, the cost is the amount paid to that person.

(It should be noted that the fees charged to the Fund by or on behalf of Apex Fundrock Limited acting in its capacity as the Authorised Fund Manager, are "unbundled" and set out separately in the scheme Prospectus. Together these fees make up the "AFM Costs".

The ACD has examined each of the component costs that make up the overall AFM Costs of the highest fee bearing invested share class and has applied the following criteria as set out by the FCA in the Regulations).

Quality of Service

The range and quality of services provided to shareholders.

Performance

The performance of the scheme, after deduction of all payments out of scheme property as set out in the Prospectus

Performance should be considered over an appropriate timescale, having regard to the scheme's investment objectives, policy, and strategy.



Economies of Scale

Whether the ACD is able to achieve savings and benefits from economies of scale, relating to the direct and indirect costs of managing the scheme property and taking into account the value of the scheme property and whether it has grown or contracted in size as a result of the sale and redemption of units.

Comparable Market Rates

In relation to each service, the market rate for any comparable service provided:

by the ACD; or

to the ACD or on its behalf including by a person to which any aspect of the scheme's management has been delegated.

Comparable Services

In relation to each separate charge, the AFM's charges, and those of its associates for comparable services provided to clients, including for institutional mandates of a comparable size, and having similar investment objectives and policies.

Classes of Shares

Whether it is appropriate for shareholders to hold units in classes subject to higher charges than those applying to other classes of the same scheme with substantially similar rights.



AFM Costs - Fees & Services Chargeable to the Fund

Fees and Services of the Authorised Corporate Director

- Apex Fundrock Ltd is the FCA Authorised Corporate Director of the Fund (ACD) responsible for the set-up, management, and wind-up of the Fund under the Regulations.
- The ACD is responsible for ensuring that all aspects of the Fund are appropriately and properly managed and for the oversight of any and all third parties delegated by the ACD to provide services to the Fund.
- The services of the ACD are subject to a tightly defined Service Level Agreement and Key Performance Indicators which are used to assess the quality and performance of the ACD.
- The ACD fees are regularly reviewed against comparable market rates for a professional ACD for hire providing comparable services taking into account the complexity and risk profile of the Funds.
- The ACD's fees are clearly set out in the scheme documentation and are tiered based on the overall value of the Funds to reflect economies of scale. All investors in the Fund share equally in these economies of scale across all classes of units.

The Assessment of Value in respect of the services rendered to the Fund by the ACD is as follows:

Quality of Service:	Good
Performance (of Duties):	Good
Cost Of Service:	Competitive
Economies of Scale:	Good Value – All Investors Benefit Equally
Comparable Market Rates:	Competitive
Comparable Services:	Competitive
Classes of Units:	Competitive

AFM Costs - Fees & Services Chargeable to the Fund (continued)

Fees and Services of the Fund Administrator

- The Fund Administrator, Apex Fundrock Ltd is responsible for the administration and record-keeping of the Fund including, but not limited to, the calculation of the daily Net Asset Valuation; the preparation of the Annual Report and Accounts and Interim Financial Statements; the maintenance of the Shareholder Register; the administration of Investor Subscription and Redemptions and the provision of an on-line and telephone enquiry service for investors and their advisers.
- The services of the Fund Administrator are subject to a tightly defined Service Level Agreement and Key Performance Indicators which are used to assess the quality and performance of the ACD.
- The Fund Administration fees are regularly reviewed by the ACD against comparable market rates for a professional Fund administrator for hire providing comparable services, taking into account the complexity and risk profile of the Funds.
- The Fund Administration fees are clearly set out in the scheme documentation and are tiered based on the overall value of the Fund to reflect economies of scale. All investors in the Fund share equally in these economies of scale across all classes of units.

The ACD's Assessment of Value in respect of the Fund Administration services rendered to the Fund is as follows:

Quality of Service:	Good
Performance (of Duties):	Good
Cost Of Service:	Competitive
Economies of Scale:	Good Value – All Investors Benefit Equally
Comparable Market Rates:	Competitive
Comparable Services:	Competitive
Classes of Units:	Competitive

AFM Costs - Fees & Services Chargeable to the Fund (continued)

Fees and Services of the Depositary and Custodian

- The Depositary, Northern Trust Investor Services Limited, is responsible for the safekeeping of the assets of the Fund, for the monitoring of cash flows, and for the appointment and oversight of the Custodian who is responsible for the safekeeping of the assets of the Fund in physical or electronic form in the markets in which the Fund invests. The Custodian is also responsible on behalf of the Fund for the collection of income and dividends, the processing of corporate actions and the reclaim of tax under any applicable double taxation treaties.
- The services of the Depositary and Custodian are subject to a tightly defined Service Level Agreement and Key Performance Indicators which are used by the ACD to assess the quality and performance of the Depositary and Custodian.
- The Depositary and Custody fees are regularly reviewed by the ACD against comparable market rates for a professional Depositary for hire providing comparable services, taking into account the complexity and risk profile of the Funds.
- The Depositary and Custody fees are clearly set out in the scheme documentation and are tiered based on the overall value of the Fund to reflect economies of scale. All investors in the Fund share equally in these economies of scale across all classes of units.

The ACD's Assessment of Value in respect of the services rendered to the Fund by the Depositary and Custodian is as follows:

Quality of Service:	Good
Performance (of Duties):	Good
Cost Of Service:	Competitive
Economies of Scale:	Good Value – All Investors Benefit Equally
Comparable Market Rates:	Competitive
Comparable Services:	Competitive
Classes of Units:	Competitive

AFM Costs - Fees & Services Chargeable to the Fund (continued)

Fees and Services of the Auditor

- The Fund Auditor Grant Thornton UK LLP, is appointed by the ACD.
- The appointment of the Auditor is reviewed annually.
- The Auditor fees are reviewed annually by the ACD against comparable market rates for a professional Fund Auditor for hire providing comparable services, taking into account the complexity and risk profile of the Funds.
- The Auditor fees are clearly set out in the scheme documentation and are provided to the Fund as part of an overall contract to provide Auditor services to this Fund and other schemes under the management of the ACD, enabling Fund investors to take advantage from the overall economies of scale so afforded, irrespective of share class.

The ACD's Assessment of Value in respect of Auditor services rendered to the Fund is as follows:

Quality of Service:	Good
Performance (of Duties):	Good
Cost Of Service:	Competitive
Economies of Scale:	Good Value – All Investors Benefit Equally
Comparable Market Rates:	Competitive
Comparable Services:	Competitive
Classes of Units:	Competitive



Fees and Services of the Investment Manager

- The Investment Management function is delegated by the ACD to Quilter Cheviot Limited, an FCA authorised professional investment management firm.
- The Investment Manager is responsible for the management and investment of the assets within the Fund in accordance with the Investment Objective and Policy as set out in the scheme documentation.
- The Investment Manager provides an active investment management service consistent with the Investment Policy and Objectives set out within the scheme documentation.
- The ACD reviews the services of the Investment Manager, including detailed due diligence of their policies, processes, procedures, and controls on an on-going basis.
- The fees of the Investment Manager represent the largest cost to the Company, are clearly set out within the scheme documentation and are consistent with the market rates for other professional investment managers for hire providing comparable services for similar Fund types.
- The investment management fees vary by share class reflecting the size of the minimum investment into that share class, with the objective of providing economies of scale for larger investors. It is the opinion of the ACD that smaller investors benefit significantly from the economies of scale that accrue to the Fund based on the scale of investment provided by institutional investors and that Fund costs are proportionately reduced for all investors due to the high value of institutional investment in the Fund and that lower fee-paying share classes for larger investors are appropriate and fully justified.

In relation to the general services provided by the Investment Manager the ACD has made the following assessment:

Quality of Service:	Good
Performance (of Duties):	Good
Cost Of Service:	Competitive
Economies of Scale:	Good Value – All Investors Benefit Equally
Comparable Market Rates:	Competitive
Comparable Services:	Competitive
Classes of Units:	Competitive



Fund Performance

Overview of the criteria used to assess Value regarding Fund Performance

- One of the key challenges for the ACD in making an overall assessment of value which considers performance is the fact that the quantum of performance, positive or negative, is likely to significantly outweigh the percentage costs of the services provided to the Funds described in this Value Assessment.
- To provide an objective measure of performance and value the ACD has adopted the following methodology. The performance of the Fund has been assessed based on the Fund's position within its elected Investment Association Fund sector over 1, 3 and 5 years if applicable.
- Funds that are in the top 50th percentile of their chosen sector would typically be rated as "Good" value; Funds in the 50th-75th quartile as "Fair" value, and Funds that are in the lower quartile as "Poor" value. However, the ACD will also take into account whether or not the Fund has met its stated investment objectives, such as performance against CPI or other comparator irrespective of its sector ranking.
- Funds that have met their stated Investment Objectives, where the objective is empirical and measurable will be assessed as being "Good Value" regardless of sector ranking.
- Fund performance is assessed after the deduction of all charges and is based on the highest charging invested share class.
- The ACD has included information relating to the Investment Objective and Policy of the Fund, the Fund's past performance and the Fund's risk profile, for the highest charging invested share class.

MI Quilter Cheviot Alternative Assets Fund

Sub-Fund Overall Value Assessment score 30th April 2024

The ACD has produced an overall assessment of value for the sub-fund taking into account the value provided across all the services that underpin the management and operation of the sub-fund, using the criteria set out in the Regulations and described in this document. The performance of the sub-fund is a significant factor in the derivation of this assessment. However, while the assessment of value is not solely driven by performance, funds that are consistently poor performers over time when compared against funds with a similar investment outlook, are likely to be graded as "poor value".

Fair

The Fund has only been in existence for a few Years and its objectives are a rolling five-year period of performance, therefore it is too early to judge long term value.

Sub-Fund Performance 30th April 2024

The MI Quilter Cheviot Alternative Assets Fund has a stated objective of delivering capital growth and income over a rolling five-year basis, the fund managers also reference the Fund's performance against the HFRX Global Hedge Fund Index (GBP). Over the year to the end of April 2024 the Fund returned 8.7% compared to the HFRX Global Hedge Fund Index (GBP) 4.3%. The Fund has not been in existence for three years, but over two years it has returned -4.4% compared to the HFRX Global Hedge Fund Index (GBP) 1.5%.

1 Year	Good
3 Years	Fair
5 Years	N/A

Investors should recognise that the Fund is actively managed and is SRRI risk rated 4 and that short-term market volatility can affect the performance over all time periods positively or negatively. Every fund will have periods of weak performance, and this should also be considered when investing in any fund.

The Investment Manager has made the following commentary in respect of the performance of the Fund:

Market Commentary

2023 was a rewarding year for long-term investors who stayed the course. It was also a year full of surprises: the much-anticipated US recession failed to materialise, we avoided a full-blown banking crisis, while China severely disappointed investors, with the so-called 'Great Reopening' trade falling flat. A stellar last couple of months meant that global stock markets ended 2023 firmly higher, and began 2024 in much the same vein, with the first quarter seeing sizeable gains in US and continental European equities. Although April proved a more challenging month for investors than those preceding it, the decline in global equities should be viewed in the context of the strong gains posted since October's lows.

The general persistence of the rally in the final six months of this year is all the more pleasing given that, in recent months, there has been a significant paring back of market expectations for interest rate cuts this year. Indeed, ongoing inflation concerns, a resilient global economy and the resetting of interest rate cut expectations have been a tough headwind for fixed interest investors in 2024, leading to losses year-to-date and reversing some of the gains prompted by Q4's more 'dovish' shift among rate setters.



Elsewhere, US stocks have led the way over the period, driven by a solid labour market, high economic growth, and a handful of large tech companies at the forefront of Artificial Intelligence (AI). The performance of Alphabet (formerly Google), Amazon, Apple, Meta (formerly Facebook), Microsoft, NVIDIA and Tesla have underpinned not only US returns, but also global indices due to their large weighting. US stocks ended 2023 20% higher in sterling terms, with these so-called 'Magnificent Seven' tech companies responsible for roughly half of these gains, leaving 72% of stocks underperforming the headline market return over the calendar year. 2024 has thus far seen a more divergent period of performance for these companies, although their size, scope, and dominant market position, along with their existing operations, means they remain extremely well placed. These businesses also remain remarkably nimble, and can implement change rapidly, as seen with the swift cost cutting measures undertaken by Meta in the latter stages of 2022.

While the large weighting to commodity and financials companies within the index was a key factor for the UK's outperformance of other regions in April, there has also recently been a growing trend of corporate activity in listed UK companies, prompted by the relatively inexpensive nature of the UK stock market and the discount on which many quality companies are trading versus their peers.

This certainly prompts mixed feelings. While it can create opportunity for active managers and the possibility for sharp (and short-term) uplifts on the value of holdings, in the absence of a healthy initial public offering (IPO) market it results in a diminishing opportunity set available to investors in the UK stock market. The loss of attractive long-term investment opportunities therefore further reduces the appeal of the index. In addition to outright bids, several companies have also decided to move their listing overseas, or announce that a move is under consideration, including some significant index heavyweights. As such, the dwindling nature of the UK stock market is an area very much in the spotlight, with a clear call to ensure the UK remains an attractive environment for companies to come to market.

While the UK slid into a shallow technical recession in the second half of last year, the economy managed to eke out 0.1% Gross Domestic Product (GDP) growth for 2023. The eurozone similarly struggled to grow, registering 0.5% 2023 Gross Domestic Product (GDP) growth, but given the bleak projections due to sharply higher interest rates the fact economies are not significantly contracting can be viewed as a positive development. This has been a blessing for central bankers. Having found themselves stuck between a rock and a hard place a couple of years ago – with surging inflation and the spectre of deep recessions brought on by their sharply higher interest rates – rate setters are now in a much more comfortable position. Economies avoiding sharp contractions without the need for monetary support has allowed central bankers to bide their time, letting the current, restrictive interest rate levels continue to apply downward pressure on inflation. Should economic activity deteriorate substantially, central bankers are now poised in a position where they can act swiftly, having kept their powder dry thus far. As a reminder, the Federal Reserve (FED) has now been on hold with a funds rate of 5.25%-5.50% since June while the Bank of England (BoE) has maintained its base rate of 5.25% since August, a 22-year high and a 16-year high respectively.

Investment Review

During the one-year period to 30 April 2024, the A Income Class returned 8.72%* in GBP terms during the period, outperforming its comparator benchmark, the HFRX Global Hedge Fund GBP Index which returned 4.34%~ in GBP terms.

The Sub-fund's allocation to absolute return and multi-asset strategy funds delivered positive returns. Pleasing contributions were seen from a range of diverse holdings including Janus Henderson Absolute Return, Trium ESG Emissions Improvers and Aspect Diversified Trends. As a reminder, the latter holding offers exposure to a systematic, momentum-based investment programme. Historical data shows that, due to the collective behaviour of market participants, trends are a persistent and identifiable feature of liquid markets. Aspect looks to exploit these trends through a trend following strategy that uses proprietary computer-driven models to trade across an extremely broad range of global financial and commodity markets.

Elsewhere, the Sub-fund's exposure to private equity, obtained via the listed names HgCapital Trust, HarbourVest Global Private Equity and Chrysalis Investments, delivered strong gains after enduring a tough period since early 2022. The exposure to global equities, obtained via the HSBC MSCI World UCITS ETF, also added to absolute and relative performance, as did the commercial property, fixed interest, and money market fund allocations.

At the individual level, detractors to the Sub-fund's returns were focused on a small group of holdings including PRS REIT, a landlord operating in the Private Rented Sector (PRS), working with housebuilders to build communities of family-sized homes that are subsequently let out. Assura, which is a leading investor and developer in modern purpose-built healthcare properties, principally let to GPs and primary care trusts in the United Kingdom where income is government backed, also struggled as property values continued to come under pressure amid the prevailing high interest rate environment. Lastly, BH Macro, a fund of hedge funds investing in funds managed by Brevan Howard Asset Management, one of the largest hedge fund managers globally, struggled in what proved to be a tough environment for macro trading in 2023, with the sharp swings seen in equity prices and bond yields proving challenging. This has led to a reassessment of their current strategies and a restructuring of their senior trading team. We think the holding continues to offer attractive long-term diversification benefits.

During the period, we decided to exit our position in Supermarket Income REIT, a small allocation which had been in steady decline since 2022. We also sold the remaining allocation to real estate company LXI REIT. In contrast, our position in the iShares MSCI Target UK Real Estate UCITS ETF was increased. Across the absolute return and multi-asset strategy allocation, we broadened out our exposure through the addition of Trojan. The holding is a multi-asset strategy that aims to protect investors' capital and grow its value in real terms over the long term. The strategy primarily invests in developed market equities and bonds (including a large current allocation to US Treasury Inflation-Protected Securities (TIPS)), gold investments, as well as cash and short-dated Treasury bills. The process benefits from stable and



experienced portfolio management and research teams, and demonstrates a clear, transparent approach to portfolio construction that ensures a clearly defined role within the Sub-fund.

Finally, we made a number of investments in infrastructure-related positions, namely holdings in 3i Infrastructure, International Public Partnerships and Renewables Infrastructure. A position in Sequoia Economic Infrastructure Income, which takes subordinated and select senior debt exposures to economic infrastructure projects, was also added. The listed infrastructure sector endured a challenging 2023, with the structural tailwinds that have supported these trusts' premium ratings in recent years overwhelmed by the knock-on effects of the sharp rise in global interest rates and the re-emergence of alternative sources of yield. With several of these trusts also mid-cap constituents, it is likely that some of the selling pressure has also been exacerbated by the ongoing sell-off across what has been an unloved segment of a deeply unloved UK stock market. We continue to see the merits of the allocation in providing access to good quality assets with predictable, contracted, often inflation-linked cashflows, exposed to structural trends. As such, we saw the historically wide discount levels as a good opportunity for long-term investors to secure attractive yields, as well as the potential for capital uplift.

Outlook

As mentioned, economic data continues to paint a mixed picture, which has left central bankers more reluctant to loosen monetary policy than was widely assumed at the start of 2024. Although inflation is back at far more palatable levels in year-on-year terms, rate setters remain concerned that the fight is not over and that a significant reduction in interest rates could cause another push higher in price pressures.

Against this backdrop, we remain constructive in our outlook for investors. The first half of 2024 has been pleasing, but it has certainly not been an indiscriminate 'everything rally' fuelled by the unbridled optimism that we saw at the end of 2023. This has been a rewarding time for stock markets, particularly large technology companies exposed to the generative AI theme, and there are some pockets of the market that are undoubtedly pricing in significant growth expectations, necessitating the need to tread carefully. However, across certain sectors and asset classes it has been a fairly underwhelming and, in some cases, negative period of returns. We believe the backdrop is likely to become increasingly supportive for active managers, with individual opportunities continuing to emerge.

**Source: Financial Express, 10 June 2024. All figures to 30 April 2024.*

~Source: Data provided by FactSet.

MI Quilter Cheviot Alternative Assets Fund

Fund Information

Non-UCITS retail scheme Key Investor Information

This document provides you with key investor information about this fund. It is not marketing material. The information is required by law to help you understand the nature and the risks of investing in this fund. You are advised to read it so you can make an informed decision about whether to invest.



MI Quilter Cheviot Alternative Assets Fund (“the Fund”) A Income Shares

This is a sub fund of MI Quilter Cheviot Investment Funds. The Fund is a non-UCITS retail scheme Open Ended Investment Company. ISIN: GB00BMT7RD75. Apex Fundrock Ltd is the Authorised Corporate Director of the Fund (“MI” and “MI Funds” are trading names of the ACD).

Objectives and investment policy

The Fund aims to deliver capital growth and income on a rolling five-year basis, by investing predominantly in a diversified portfolio of asset classes either directly or indirectly.

The Fund will typically invest at least 90% of the portfolio indirectly but at times, dependent on market conditions and the Investment Manager’s view of the market, the indirect exposure may be higher or lower than 90% but is never expected to fall below 80%.

The Fund’s indirect investments will include other investment funds (which may include those that are managed or operated by the ACD or an associate of the ACD), to give further exposure to a diversified portfolio of asset classes.

The Fund will have typically 70% (but a minimum of 50%) invested in alternative asset classes such as: property; commodities (such as gold and precious metals); private equity; infrastructure; currency; derivatives; and funds with absolute return strategies and multi asset strategies. The exposure to property and commodities will vary and may at times be significant.

Absolute return funds aim to deliver positive returns regardless of the direction of broader investment markets. Multi asset funds invest across different asset classes, seeking to achieve asset diversification within the one fund.

The Fund may also hold other assets, including company shares, government bonds, investment grade and/or sub-investment grade corporate bonds and cash.

Bonds are like loans that pay a fixed or variable rate of interest issued by governments, companies and other large organisations worldwide. Bonds are classified by rating agencies for their creditworthiness: those rated ‘investment grade’ generally carry a relatively low risk of default but also tend to offer lower yields than ‘non-investment grade’ bonds which, in turn, generally have a higher risk of default but also tend to offer higher yields.

The Fund may use derivatives, which are sophisticated instruments whose value is linked to the rise and fall of other assets, to achieve its investment objectives and for the purposes of hedging and efficient portfolio management, with the aim of managing risk and cost.

The Fund is actively managed. This means the Investment Manager uses their expertise to pick investments to achieve the Fund’s objective.

Any income this share class generates will be paid out to you. You can buy and sell shares on any business day in London.

Recommendation: this Fund may not be appropriate for investors who plan to withdraw their money within 5 years.

For full investment objectives and policy details please refer to the Prospectus.

Risk and reward profile

The Risk and Reward Indicator table demonstrates where the Fund ranks in terms of its potential risk and reward. The higher the rank the greater the potential reward but the greater the risk of losing money. It is based on past data, may change over time and may not be a reliable indication of the future risk profile of the Fund. The shaded area in the table below shows the Fund’s ranking on the Risk and Reward Indicator.



- The Fund is ranked 4 because funds of this type have experienced average rises and falls in value in the past. Please note that even the lowest risk class can lose you money and that extreme market circumstances can mean you suffer severe losses in all cases. The indicator does not take into account the following risks of investing in this Fund:
 - Investing overseas can bring additional returns and spread risk to different markets. There are risks, however, that changes in currency exchange rates may cause the value of your investment to decrease or increase.
 - Investing in other funds may expose investors to increased risk due to less strict regulations and the use of derivatives. These other funds can themselves invest into assets such as bonds, company shares, cash and currencies. The objectives and risk profiles of these underlying funds may not be fully in line with those of this Fund.
 - The Fund may invest in property funds which can be less liquid than other asset classes.
 - In difficult market conditions, the value of some investments may be less predictable than normal and the Fund may not be able to buy and sell these investments at the best time or at a fair price. This could affect the Fund’s performance, potentially reducing your returns.
 - The Fund may invest in bond funds which will be impacted by changes in interest rates, inflation and any decline in creditworthiness of the underlying bond issuers.
 - The Fund can use derivatives in order to meet its investment objectives or to protect from price and currency movement. This may result in gains or losses that are greater than the original amount invested.
- For further risk information please see the Prospectus.

MI Quilter Cheviot Alternative Assets Fund

Fund Information



Charges

The charges you pay are used to pay the costs of running the Fund, including the costs of marketing and distributing it. These charges reduce the potential growth of your investment.

One-off charges taken before or after you invest	
Entry charge	0.00%
Exit charge	0.00%

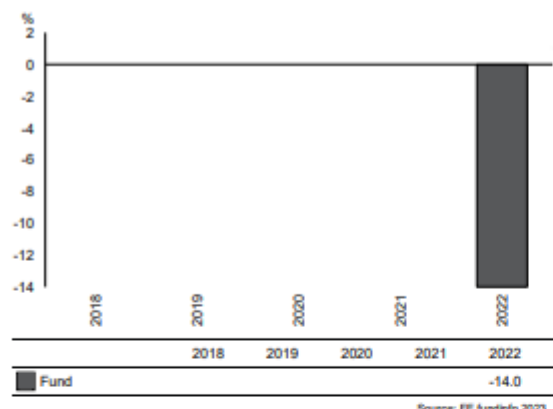
These are the maximum charges that we might take out of your money before it is invested and before we pay out the sale proceeds of your investment. In some cases, you might pay less and you should speak to your financial adviser about this.

Charges taken from the Fund over a year	
Ongoing charges	0.58%

Charges taken from the Fund under specific conditions	
Performance fee	NONE

- The ongoing charges figure 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).
- For the ongoing charge, the figure is as at 31 October 2022.
- You may also be charged a dilution levy on entry to or exit from the Fund, this is to cover costs associated with your transaction.
- For more information about charges, please see the prospectus.

Past performance



- You should be aware that past performance is not a guide to future performance.
- Fund launch date: 30/09/2021.
- Share/unit class launch date: 30/09/2021.
- Performance is calculated in GBP.

Practical information

- This document is issued by Apex Fundrock Ltd and contains information on the A Income Shares only ("MI" and "MI Funds" are trading names of the ACD).
- Each fund of the Company has its own pool of assets and liabilities, segregated by law. If one fund were unable to pay for its liabilities the assets of the other funds could not be used to pay for those liabilities.
- You can get further detailed information regarding the Fund, including details of the investment manager and how to switch, buy and sell shares and other share classes available, within the prospectus, the supplementary information document and the annual and half yearly managers' reports. You can get these free of charge from Apex Fundrock Ltd, Hamilton Centre, Rodney Way, Chelmsford, Essex CM1 3BY or from our website: www.fundrock.com. These are available in English only. You can call us on 0345 521 1006, or look on our website for the latest unit prices.
- Details of the ACD's remuneration policy (including a description of how remuneration and benefits are calculated, the composition of the remuneration committee and the identities of persons responsible for awarding remuneration and benefits) are available at www.fundrock.com/mi-fund-data or by requesting a paper copy free of charge (see above for contact details).
- The Depositary of the Fund is Northern Trust Investor Services Limited.
- Please note that the tax laws of the United Kingdom may impact your own tax position.

MI Quilter Cheviot Asian and Emerging Markets Equity Fund Sub-Fund Overall Value Assessment score 30th April 2024

The ACD has produced an overall assessment of value for the sub-fund taking into account the value provided across all the services that underpin the management and operation of the sub-fund, using the criteria set out in the Regulations and described in this document. The performance of the sub-fund is a significant factor in the derivation of this assessment. However, while the assessment of value is not solely driven by performance, funds that are consistently poor performers over time when compared against funds with a similar investment outlook, are likely to be graded as “poor value”.

Good

The Fund has only been in existence for a few years and its objectives are a rolling five-year period of performance, therefore it is too early to judge long term value.

Sub-Fund Performance 30th April 2024

The MI Quilter Cheviot Asian and Emerging Markets Equity Fund has a stated objective of delivering capital growth and income over a rolling five-year basis, the fund managers also reference the Fund's performance against the MSCI AC Asia Pacific Index. Over the year to the end of April 2024 the Fund returned 10.2% compared to the MSCI AC Asia Pacific Index (GBP) 11.7%. The Fund has not been in existence for three years, but over two years it has returned 9.8% compared to the MSCI AC Asia Pacific Index 8.6%.

1 Year	Fair
3 Years	Good
5 Years	N/A

Investors should recognise that the Fund is actively managed and is SRRI risk rated 5 and that short-term market volatility can affect the performance over all time periods positively or negatively. Every fund will have periods of weak performance, and this should also be considered when investing in any fund.

The Investment Manager has made the following commentary in respect of the performance of the Fund:

Market Commentary

2023 was a rewarding year for long-term investors who stayed the course. It was also a year full of surprises: the much-anticipated US recession failed to materialise, we avoided a full-blown banking crisis, while China severely disappointed investors, with the so-called 'Great Reopening' trade falling flat. A stellar last couple of months meant that global stock markets ended 2023 firmly higher, and began 2024 in much the same vein, with the first quarter seeing sizeable gains in US and continental European equities. Although April proved a more challenging month for investors than those preceding it, the decline in global equities should be viewed in the context of the strong gains posted since October's lows.

The general persistence of the rally in the final six months of this year is all the more pleasing given that, in recent months, there has been a significant paring back of market expectations for interest rate cuts this year. Indeed, ongoing inflation concerns, a resilient global economy and the resetting of interest rate cut expectations have been a tough headwind for fixed interest investors in 2024, leading to losses year-to-date and reversing some of the gains prompted by Q4's more 'dovish' shift among rate setters.



Elsewhere, US stocks have led the way over the period, driven by a solid labour market, high economic growth, and a handful of large tech companies at the forefront of Artificial Intelligence ('AI'). The performance of Alphabet (formerly Google), Amazon, Apple, Meta (formerly Facebook), Microsoft, NVIDIA and Tesla have underpinned not only US returns, but also global indices due to their large weighting. US stocks ended 2023 20% higher in sterling terms, with these so-called 'Magnificent Seven' tech companies responsible for roughly half of these gains, leaving 72% of stocks underperforming the headline market return over the calendar year. 2024 has thus far seen a more divergent period of performance for these companies, although their size, scope, and dominant market position, along with their existing operations, means they remain extremely well placed. These businesses also remain remarkably nimble, and can implement change rapidly, as seen with the swift cost cutting measures undertaken by Meta in the latter stages of 2022.

While the large weighting to commodity and financials companies within the index was a key factor for the UK's outperformance of other regions in April, there has also recently been a growing trend of corporate activity in listed UK companies, prompted by the relatively inexpensive nature of the UK stock market and the discount on which many quality companies are trading versus their peers. This certainly prompts mixed feelings. While it can create opportunity for active managers and the possibility for sharp (and short-term) uplifts on the value of holdings, in the absence of a healthy initial public offering ('IPO') market it results in a diminishing opportunity set available to investors in the UK stock market. The loss of attractive long-term investment opportunities therefore further reduces the appeal of the index. In addition to outright bids, several companies have also decided to move their listing overseas, or announce that a move is under consideration, including some significant index heavyweights. As such, the dwindling nature of the UK stock market is an area very much in the spotlight, with a clear call to ensure the UK remains an attractive environment for companies to come to market.

While the UK slid into a shallow technical recession in the second half of last year, the economy managed to eke out 0.1% Gross Domestic Product ('GDP') growth for 2023. The eurozone similarly struggled to grow, registering 0.5% 2023 GDP growth, but given the bleak projections due to sharply higher interest rates the fact economies are not significantly contracting can be viewed as a positive development. This has been a blessing for central bankers. Having found themselves stuck between a rock and a hard place a couple of years ago – with surging inflation and the spectre of deep recessions brought on by their sharply higher interest rates – rate setters are now in a much more comfortable position. Economies avoiding sharp contractions without the need for monetary support has allowed central bankers to bide their time, letting the current, restrictive interest rate levels continue to apply downward pressure on inflation. Should economic activity deteriorate substantially, central bankers are now poised in a position where they can act swiftly, having kept their powder dry thus far. As a reminder, the Federal Reserve ('FED') has now been on hold with a funds rate of 5.25%-5.50% since June while the Bank of England ('BoE') has maintained its base rate of 5.25% since August, a 22-year high and a 16-year high respectively.

Investment Review

During the one-year period to 30 April 2024, the A Income Class returned 10.15%* in GBP terms, underperforming its comparator benchmark, the MSCI AC Asia Pacific Index (net) which returned 11.72%~ in GBP terms.

Despite the challenges facing Chinese stocks, which posted negative returns over the period (albeit rallying from their January lows), the headline emerging markets index ended the year in positive territory, driven principally by the strong performance of Indian, Taiwanese and Brazilian equities. Elsewhere, Japanese stocks delivered strong gains, driven by discounted valuations, renewed investor sentiment and ongoing corporate reform efforts, although yen weakness continued to detract from returns for sterling investors.

During the period, strong performance was delivered by the Sub-fund's holdings in M&G Japan and Pacific North of South Emerging Markets All Cap Equity. In contrast, weak relative performance was seen by holdings in JPMorgan Emerging Markets, Matthews Asia ex-Japan Total Return Equity and Baillie Gifford Japanese Income Growth. The latter endured a particularly disappointing period, given its historically 'core' composition and return profile. Our research analysts met the team frequently over the course of 2023, including while in Tokyo, to better understand the drivers of this underperformance. With no change to the team's well-established process, or indeed confidence in their portfolio, as demonstrated by a consistently low turnover ratio, we retain conviction in the position.

In August we trimmed back the holding in Pacific North of South Emerging Markets All Cap Equity following pleasing relative outperformance. These returns were driven by a combination of strong stock selection decisions and beneficial market and sector allocations. We took the opportunity to take profits and broaden out the exposure by reintroducing the Vontobel - mtx Sustainable Emerging Markets Leaders, ensuring exposure to some compelling valuation opportunities not previously represented within the allocation.

Elsewhere, we added to Baillie Gifford Japanese Income Growth to leave this holding, and the existing position in M&G Japan, as the two core active allocations to the Japanese market.

Finally, across the Sub-fund's Asia Pacific ex-Japan exposure, we exited our holding in Matthews Asia ex-Japan Total Return following changes to the management team, reinvesting the proceeds into the two largest existing holdings in the region: Fidelity Asia Pacific Opportunities and Veritas Asian.



Outlook

As mentioned, economic data continues to paint a mixed picture, which has left central bankers more reluctant to loosen monetary policy than was widely assumed at the start of 2024. Although inflation is back at far more palatable levels in year-on-year terms, rate setters remain concerned that the fight is not over and that a significant reduction in interest rates could cause another push higher in price pressures.

Against this backdrop, we remain constructive in our outlook for investors. The first half of 2024 has been pleasing, but it has certainly not been an indiscriminate 'everything rally' fuelled by the unbridled optimism that we saw at the end of 2023. This has been a rewarding time for stock markets, particularly large technology companies exposed to the generative AI theme, and there are some pockets of the market that are undoubtedly pricing in significant growth expectations, necessitating the need to tread carefully. However, across certain sectors and asset classes it has been a fairly underwhelming and, in some cases, negative period of returns. We believe the backdrop is likely to become increasingly supportive for active managers, with opportunities continuing to emerge.

**Source: Financial Express, 10 June 2024. All figures to 30 April 2024.*

~Source: Data provided by FactSet.

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MI Quilter Cheviot Asian and Emerging Markets Equity Fund

Fund Information

Non-UCITS retail scheme Key Investor Information

This document provides you with key investor information about this fund. It is not marketing material. The information is required by law to help you understand the nature and the risks of investing in this fund. You are advised to read it so you can make an informed decision about whether to invest.



MI Quilter Cheviot Asian and Emerging Markets Equity Fund (“the Fund”) A Income Shares

This is a sub fund of MI Quilter Cheviot Investment Funds. The Fund is a non-UCITS retail scheme Open Ended Investment Company. ISIN: GB00BMT7QV82. Apex Fundrock Ltd is the Authorised Corporate Director of the Fund (“MI” and “MI Funds” are trading names of the ACD).

Objectives and investment policy

The Fund aims to deliver capital growth and income on a rolling five-year basis, by investing at least 90% in the shares of companies in developed markets in the Asia-Pacific region and global emerging markets.

The Fund will invest both directly into company shares and indirectly through other investment funds (which may include those that are managed or operated by the ACD or an associate of the ACD) which themselves invest in the shares of Asia-Pacific region companies and global emerging markets.

The Fund will invest at least 80% of the portfolio indirectly.

The Fund may also hold other assets, including cash.

The Fund may only make use of derivatives, which are sophisticated instruments whose value is linked to the rise and fall of other assets, for the purposes of hedging and efficient portfolio management, with the aim of managing risk and cost.

The Fund is actively managed. This means the Investment Manager uses their expertise to pick investments to achieve the Fund’s objective.

Any income this share class generates will be paid out to you.

You can buy and sell shares on any business day in London.

Recommendation: this Fund may not be appropriate for investors who plan to withdraw their money within 5 years.

For full investment objectives and policy details please refer to the Prospectus.

Risk and reward profile

The Risk and Reward Indicator table demonstrates where the Fund ranks in terms of its potential risk and reward. The higher the rank the greater the potential reward but the greater the risk of losing money. It is based on past data, may change over time and may not be a reliable indication of the future risk profile of the Fund. The shaded area in the table below shows the Fund’s ranking on the Risk and Reward Indicator.



- This Fund is ranked at 5 because funds of this type have experienced medium to high rises and falls in value in the past. Please note that even the lowest risk class can lose you money and that extreme market circumstances can mean you suffer severe losses in all cases. The indicator does not take into account the following risks of investing in this Fund:
- Investing overseas can bring additional returns and spread risk to different markets. There are risks, however, that changes in currency exchange rates may cause the value of your investment to decrease or increase.
- Investing in other funds may expose investors to increased risk due to less strict regulations and the use of derivatives. These other funds can themselves invest into assets such as bonds, company shares, cash and currencies. The objectives and risk profiles of these underlying funds may not be fully in line with those of this Fund.
- Emerging markets or less developed countries may face more political, economic or structural challenges than developed countries. This means your money is at greater risk.
- In difficult market conditions, the value of some investments may be less predictable than normal and the Fund may not be able to buy and sell these investments at the best time or at a fair price. This could affect the Fund’s performance, potentially reducing your returns.
- For further risk information please see the Prospectus.

MI Quilter Cheviot Asian and Emerging Markets Equity Fund

Fund Information



Charges

The charges you pay are used to pay the costs of running the Fund, including the costs of marketing and distributing it. These charges reduce the potential growth of your investment.

One-off charges taken before or after you invest	
Entry charge	0.00%
Exit charge	0.00%

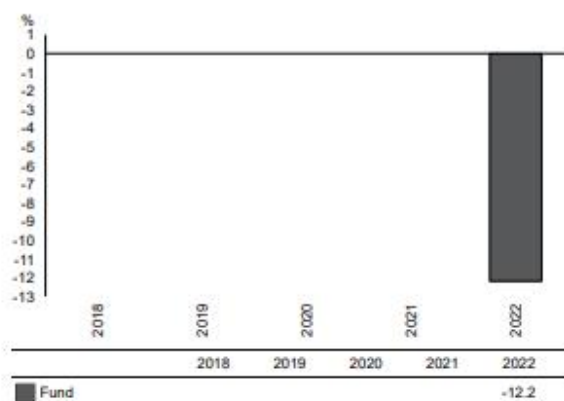
These are the maximum charges that we might take out of your money before it is invested and before we pay out the sale proceeds of your investment. In some cases, you might pay less and you should speak to your financial adviser about this.

Charges taken from the Fund over a year	
Ongoing charges	0.81%

Charges taken from the Fund under specific conditions	
Performance fee	NONE

- The ongoing charges figure 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).
- For the ongoing charge, the figure is as at 31 October 2022.
- You may also be charged a dilution levy on entry to or exit from the Fund, this is to cover costs associated with your transaction.
- For more information about charges, please see the prospectus.

Past performance



- You should be aware that past performance is not a guide to future performance.
- Fund launch date: 30/09/2021.
- Share/unit class launch date: 30/09/2021.
- Performance is calculated in GBP.

Practical information

- This document is issued by Apex Fundrock Ltd and contains information on the A Income Shares only ("MI" and "MI Funds" are trading names of the ACD).
- Each fund of the Company has its own pool of assets and liabilities, segregated by law. If one fund were unable to pay for its liabilities the assets of the other funds could not be used to pay for those liabilities.
- You can get further detailed information regarding the Fund, including details of the investment manager and how to switch, buy and sell shares and other share classes available, within the prospectus, the supplementary information document and the annual and half yearly managers' reports. You can get these free of charge from Apex Fundrock Ltd, Hamilton Centre, Rodney Way, Chelmsford, Essex CM1 3BY or from our website: www.fundrock.com. These are available in English only. You can call us on 0345 521 1006, or look on our website for the latest unit prices.
- Details of the ACD's remuneration policy (including a description of how remuneration and benefits are calculated, the composition of the remuneration committee and the identities of persons responsible for awarding remuneration and benefits) are available at www.fundrock.com/mi-fund-data or by requesting a paper copy free of charge (see above for contact details).
- The Depositary of the Fund is Northern Trust Investor Services Limited.
- Please note that the tax laws of the United Kingdom may impact your own tax position.

MI Quilter Cheviot Conservative Fixed Interest Fund

Sub-Fund Overall Value Assessment score 30th April 2024

The ACD has produced an overall assessment of value for the sub-fund taking into account the value provided across all the services that underpin the management and operation of the sub-fund, using the criteria set out in the Regulations and described in this document. The performance of the sub-fund is a significant factor in the derivation of this assessment. However, while the assessment of value is not solely driven by performance, funds that are consistently poor performers over time when compared against funds with a similar investment outlook, are likely to be graded as “poor value”.

Good

The Fund has only been in existence for a few years and its objectives are a rolling five-year period of performance, therefore it is too early to judge long term value.

Sub-Fund Performance 30th April 2024

The MI Quilter Cheviot Fixed Interest Fund has a stated objective of delivering income and the potential for capital grow over a rolling five-year basis, the fund managers also reference the Fund's performance against the IBoxx Sterling Overall Index. Over the year to the end of April 2024 the Fund returned 2.6% compared to the IBoxx Sterling Overall Index -0.2%. The Fund has not been in existence for three years, but over two years it has returned -10.6% compared to the IBoxx Sterling Overall Index -14.1%.

1 Year	Good
3 Years	Good
5 Years	N/A

Investors should recognise that the Fund is actively managed and is SRRI risk rated 4 and that short-term market volatility can affect the performance over all time periods positively or negatively. Every fund will have periods of weak performance, and this should also be considered when investing in any fund.

The Investment Manager has made the following commentary in respect of the performance of the Fund:

Market Commentary

2023 was a rewarding year for long-term investors who stayed the course. It was also a year full of surprises: the much-anticipated US recession failed to materialise, we avoided a full-blown banking crisis, while China severely disappointed investors, with the so-called 'Great Reopening' trade falling flat. A stellar last couple of months meant that global stock markets ended 2023 firmly higher, and began 2024 in much the same vein, with the first quarter seeing sizeable gains in US and continental European equities. Although April proved a more challenging month for investors than those preceding it, the decline in global equities should be viewed in the context of the strong gains posted since October's lows.

The general persistence of the rally in the final six months of this year is all the more pleasing given that, in recent months, there has been a significant paring back of market expectations for interest rate cuts this year. Indeed, ongoing inflation concerns, a resilient

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global economy and the resetting of interest rate cut expectations have been a tough headwind for fixed interest investors in 2024, leading to losses year-to-date and reversing some of the gains prompted by Q4's more 'dovish' shift among rate setters.

While the UK slid into a shallow technical recession in the second half of last year, the economy managed to eke out 0.1% Gross Domestic Product (GDP) growth for 2023. The eurozone similarly struggled to grow, registering 0.5% 2023 GDP growth, but given the bleak projections due to sharply higher interest rates the fact economies are not significantly contracting can be viewed as a positive development. This has been a blessing for central bankers. Having found themselves stuck between a rock and a hard place a couple of years ago – with surging inflation and the spectre of deep recessions brought on by their sharply higher interest rates – rate setters are now in a much more comfortable position. Economies avoiding sharp contractions without the need for monetary support has allowed central bankers to bide their time, letting the current, restrictive interest rate levels continue to apply downward pressure on inflation. Should economic activity deteriorate substantially, central bankers are now poised in a position where they can act swiftly, having kept their powder dry thus far. As a reminder, the Federal Reserve ('FED') has now been on hold with a funds rate of 5.25%-5.50% since June while the Bank of England ('BoE') maintained its base rate of 5.25% since August, a 22-year high and a 16-year high respectively.

During the one-year period to 30 April 2024, the A Income Class returned 2.63%* in GBP terms, outperforming its comparator benchmark, the Markit iBoxx Sterling Overall Index, which returned -0.20%~ in GBP terms.

Although less challenging than the environment endured throughout 2022, the twelve-month period under review was nevertheless volatile for UK bond investors, with the aggressive rate rise cycle that commenced in December 2021 continuing to cause waves across markets. Over the second quarter of 2023, central banks' determination to raise interest rates – given stickier than hoped for inflation – caused notable moves across the gilt market, with the two-year yield rising to 5.28% from 3.47%. In doing so, the yield surpassed the highs from last Autumn caused by ex-chancellor Kwasi Kwarteng's 'mini-budget', reaching a new 15-year high.

During the third quarter, UK government bonds fared better than their global counterparts, albeit still delivered a modest headline negative return. Expectations of a potentially lower 'terminal rate' in the UK led to a rally in shorter-dated gilts.

Moving into October, headline UK government bond yields rose, albeit outperformed their US counterparts. The short-end of the gilt curve outperformed the long end as well as index-linked bonds, reflecting the growing consensus view that the Bank of England ('BoE') would not further increase rates.

The final two months of 2023 ultimately proved extremely pleasing for investors, with a series of more 'dovish' signals from central banks leading to a growing expectation of a significant reduction in interest rates in 2024, and central banks changing tack in the belief that enough has been done in the fight against inflation. This pivot in the narrative led to sharp gains for bond investors, although, as discussed above, there has since been a significant paring back of market expectations for interest rate cuts this year. As such, UK government and investment grade bonds indices lost ground in the first four months of 2024.

Against a more conducive economic backdrop than had been anticipated, we saw pleasing returns from the Sub-fund's credit holdings, most notably Royal London Sterling Credit and Federated Hermes Unconstrained Credit. Positive gains were also achieved across the Sub-fund's conventional gilt holdings, most notably those with a shorter duration profile.

In light of the worries regarding widespread contagion in the US regional banking sector, the Fed's ongoing tightening activities as well as the risk of recession, in the first half of the period we decided to increase the defensiveness of the Sub-fund's corporate bond exposure. This was done by exiting the holding in the Federated Hermes Unconstrained Credit and increasing Wellington Global Credit ESG. The Wellington Global Credit ESG invests primarily in investment grade-rated corporate bonds, but has the flexibility to add value across securitised, government, high yield, and emerging market debt. Elsewhere, the duration of the Sub-fund's gilt exposure was also marginally increased during May and September, with the cash available from the maturing UK Treasury 1% 22.04.24 reinvested into the UK Treasury 0.625% 07.06.25 towards the end of the year.

Outlook

To conclude, we remain constructive in our outlook for high-quality fixed interest investments. Inflation concerns, a resilient global economy and the resetting of interest rate cut expectations have proven a headwind for bond investors so far this year. While there remains uncertainty around the scale and timing of rate cuts for the rest of 2024, with rate setters concerned that the fight is not over, the data appear increasingly supportive for downward movements and a slow, but gradual, move to more dovish policy across central banks. Government bonds offer attractive yields, and should economic growth underwhelm, resulting in more aggressive central bank action, stand well-placed to benefit.

*Source: Financial Express, 10 June 2024. All figures to 30 April 2024.

~Source: Data provided by FactSet.

MI Quilter Cheviot Conservative Fixed Interest Fund

Fund Information

Non-UCITS retail scheme Key Investor Information

This document provides you with key investor information about this fund. It is not marketing material. The information is required by law to help you understand the nature and the risks of investing in this fund. You are advised to read it so you can make an informed decision about whether to invest.



MI Quilter Cheviot Conservative Fixed Interest Fund (“the Fund”) A Income Shares

This is a sub fund of MI Quilter Cheviot Investment Funds. The Fund is a non-UCITS retail scheme Open Ended Investment Company. ISIN: GB00BMT7QF25. Apex Fundrock Ltd is the Authorised Corporate Director of the Fund (“MI” and “MI Funds” are trading names of the ACD).

Objectives and investment policy

The Fund aims to deliver income and the potential for capital growth on a rolling five-year basis, by investing predominantly in a diversified portfolio of UK and global bonds either directly or indirectly.

The Fund will typically invest at least 70% of the portfolio directly but at times, dependent on market conditions and the Investment Manager’s view of the market, the direct exposure may be higher or lower than 70% but is never expected to fall below 50%.

The Fund’s indirect investments will include other investment funds (which may include those that are managed or operated by the ACD or an associate of the ACD), to give further bonds exposure.

The Fund expects to invest conservatively, with 70% or more of the Fund invested in conventional gilts issued by the UK Government and index linked gilts.

The Fund may also hold other assets, including investment grade and/or sub-investment grade corporate bonds and cash.

Bonds are like loans that pay a fixed or variable rate of interest issued by governments, companies and other large organisations worldwide. Bonds are classified by rating agencies for their creditworthiness: those rated ‘investment grade’ generally carry a relatively low risk of default but also tend to offer lower yields than ‘non-investment grade’ bonds which, in turn, generally have a higher risk of default but also tend to offer higher yields.

The Fund may only make use of derivatives, which are sophisticated instruments whose value is linked to the rise and fall of other assets, for the purposes of hedging and efficient portfolio management, with the aim of managing risk and cost.

The Fund is actively managed. This means the Investment Manager uses their expertise to pick investments to achieve the Fund’s objective.

Any income this share class generates will be paid out to you.

You can buy and sell shares on any business day in London.

Recommendation: this Fund may not be appropriate for investors who plan to withdraw their money within 5 years.

For full investment objectives and policy details please refer to the Prospectus.

Risk and reward profile

The Risk and Reward Indicator table demonstrates where the Fund ranks in terms of its potential risk and reward. The higher the rank the greater the potential reward but the greater the risk of losing money. It is based on past data, may change over time and may not be a reliable indication of the future risk profile of the Fund. The shaded area in the table below shows the Fund’s ranking on the Risk and Reward Indicator.



- The Fund is ranked 4 because funds of this type have experienced average rises and falls in value in the past. Please note that even the lowest risk class can lose you money and that extreme market circumstances can mean you suffer severe losses in all cases. The indicator does not take into account the following risks of investing in this Fund:
- Bond values are affected by changes in interest rates, inflation and any decline in creditworthiness of the bond issuer. Bonds that produce a higher level of income usually also carry greater risk as such bond issuers may not be able to pay the bond income as promised or could fail to repay the capital amount used to purchase the bond. There may be cases where the organisation from which we buy a bond fails to carry out its obligations which could cause losses to the Fund.
- Investing in other funds may expose investors to increased risk due to less strict regulations and the use of derivatives. These other funds can themselves invest into assets such as bonds, company shares, cash and currencies. The objectives and risk profiles of these underlying funds may not be fully in line with those of this Fund.
- The level of income may go down as well as up and is not guaranteed.
- Investing overseas can bring additional returns and spread risk to different markets. There are risks, however, that changes in currency exchange rates may cause the value of your investment to decrease or increase.
- For further risk information please see the Prospectus.

MI Quilter Cheviot Conservative Fixed Interest Fund

Fund Information



Charges

The charges you pay are used to pay the costs of running the Fund, including the costs of marketing and distributing it. These charges reduce the potential growth of your investment.

One-off charges taken before or after you invest	
Entry charge	0.00%
Exit charge	0.00%

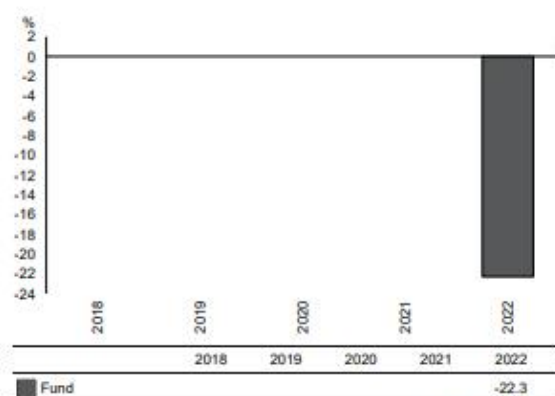
These are the maximum charges that we might take out of your money before it is invested and before we pay out the sale proceeds of your investment. In some cases, you might pay less and you should speak to your financial adviser about this.

Charges taken from the Fund over a year	
Ongoing charges	0.18%

Charges taken from the Fund under specific conditions	
Performance fee	NONE

- The ongoing charges figure 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).
- For the ongoing charge, the figure is as at 31 October 2022.
- You may also be charged a dilution levy on entry to or exit from the Fund, this is to cover costs associated with your transaction.
- For more information about charges, please see the prospectus.

Past performance



- You should be aware that past performance is not a guide to future performance.
- Fund launch date: 30/09/2021.
- Share/unit class launch date: 30/09/2021.
- Performance is calculated in GBP.

Practical information

- This document is issued by Apex Fundrock Ltd and contains information on the A Income Shares only ("MI" and "MI Funds" are trading names of the ACD).
- Each fund of the Company has its own pool of assets and liabilities, segregated by law. If one fund were unable to pay for its liabilities the assets of the other funds could not be used to pay for those liabilities.
- You can get further detailed information regarding the Fund, including details of the investment manager and how to switch, buy and sell shares and other share classes available, within the prospectus, the supplementary information document and the annual and half yearly managers' reports. You can get these free of charge from Apex Fundrock Ltd, Hamilton Centre, Rodney Way, Chelmsford, Essex CM1 3BY or from our website: www.fundrock.com. These are available in English only. You can call us on 0345 521 1006, or look on our website for the latest unit prices.
- Details of the ACD's remuneration policy (including a description of how remuneration and benefits are calculated, the composition of the remuneration committee and the identities of persons responsible for awarding remuneration and benefits) are available at www.fundrock.com/mi-fund-data or by requesting a paper copy free of charge (see above for contact details).
- The Depositary of the Fund is Northern Trust Investor Services Limited.
- Please note that the tax laws of the United Kingdom may impact your own tax position.

MI Quilter Cheviot Diversified Returns Fund

Sub-Fund Overall Value Assessment score 30th April 2024

The ACD has produced an overall assessment of value for the sub-fund taking into account the value provided across all the services that underpin the management and operation of the sub-fund, using the criteria set out in the Regulations and described in this document. The performance of the sub-fund is a significant factor in the derivation of this assessment. However, while the assessment of value is not solely driven by performance, funds that are consistently poor performers over time when compared against funds with a similar investment outlook, are likely to be graded as “poor value”.

Fair

The Fund has only been in existence for a few years and its objectives are a rolling five-year period of performance, therefore it is too early to judge long term value.

Sub-Fund Performance 30th April 2024

The MI Quilter Cheviot Diversified Returns Fund has a stated objective of delivering capital growth and income over a rolling five-year basis, the fund managers also reference the Fund's performance against a custom index of 100% Long MSCI World Diversified Multiple Factor Index +70% Short MSCI World Index (GBP). Over the year to the end of April 2024 the Fund returned 5.2% compared to a return for the MSCI custom Index of 100% Long MSCI World Diversified Multiple Factor Index +70% Short MSCI World Index of 5.5%. The Fund has not been in existence for three years, but over two years it has returned 3.2% compared to the custom index return of 6.4%.

1 Year	Fair
3 Years	Fair
5 Years	N/A

Investors should recognise that the Fund is actively managed and is SRRI risk rated 3 and that short-term market volatility can affect the performance over all time periods positively or negatively. Every fund will have periods of weak performance, and this should also be considered when investing in any fund.

The Investment Manager has made the following commentary in respect of the performance of the Fund:

Market Commentary

2023 was a rewarding year for long-term investors who stayed the course. It was also a year full of surprises: the much-anticipated US recession failed to materialise, we avoided a full-blown banking crisis, while China severely disappointed investors, with the so-called 'Great Reopening' trade falling flat. A stellar last couple of months meant that global stock markets ended 2023 firmly higher, and began 2024 in much the same vein, with the first quarter seeing sizeable gains in US and continental European equities. Although April proved a more challenging month for investors than those preceding it, the decline in global equities should be viewed in the context of the strong gains posted since October's lows.

The general persistence of the rally in the final six months of this year is all the more pleasing given that, in recent months, there has been a significant paring back of market expectations for interest rate cuts this year. Indeed, ongoing inflation concerns, a resilient global economy and the resetting of interest rate cut expectations have been a tough headwind for fixed interest investors in 2024, leading to losses year-to-date and reversing some of the gains prompted by Q4's more 'dovish' shift among rate setters.



Elsewhere, US stocks have led the way over the period, driven by a solid labour market, high economic growth, and a handful of large tech companies at the forefront of Artificial Intelligence ('AI'). The performance of Alphabet (formerly Google), Amazon, Apple, Meta (formerly Facebook), Microsoft, NVIDIA and Tesla have underpinned not only US returns, but also global indices due to their large weighting. US stocks ended 2023 20% higher in sterling terms, with these so-called 'Magnificent Seven' tech companies responsible for roughly half of these gains, leaving 72% of stocks underperforming the headline market return over the calendar year. 2024 has thus far seen a more divergent period of performance for these companies, although their size, scope, and dominant market position, along with their existing operations, means they remain extremely well placed. These businesses also remain remarkably nimble, and can implement change rapidly, as seen with the swift cost cutting measures undertaken by Meta in the latter stages of 2022.

While the large weighting to commodity and financials companies within the index was a key factor for the UK's outperformance of other regions in April, there has also recently been a growing trend of corporate activity in listed UK companies, prompted by the relatively inexpensive nature of the UK stock market and the discount on which many quality companies are trading versus their peers. This certainly prompts mixed feelings. While it can create opportunity for active managers and the possibility for sharp (and short-term) uplifts on the value of holdings, in the absence of a healthy initial public offering ('IPO') market it results in a diminishing opportunity set available to investors in the UK stock market. The loss of attractive long-term investment opportunities therefore further reduces the appeal of the index. In addition to outright bids, several companies have also decided to move their listing overseas, or announce that a move is under consideration, including some significant index heavyweights. As such, the dwindling nature of the UK stock market is an area very much in the spotlight, with a clear call to ensure the UK remains an attractive environment for companies to come to market.

While the UK slid into a shallow technical recession in the second half of last year, the economy managed to eke out 0.1% Gross Domestic Product ('GDP') growth for 2023. The eurozone similarly struggled to grow, registering 0.5% 2023 GDP growth, but given the bleak projections due to sharply higher interest rates the fact economies are not significantly contracting can be viewed as a positive development. This has been a blessing for central bankers. Having found themselves stuck between a rock and a hard place a couple of years ago – with surging inflation and the spectre of deep recessions brought on by their sharply higher interest rates – rate setters are now in a much more comfortable position. Economies avoiding sharp contractions without the need for monetary support has allowed central bankers to bide their time, letting the current, restrictive interest rate levels continue to apply downward pressure on inflation. Should economic activity deteriorate substantially, central bankers are now poised in a position where they can act swiftly, having kept their powder dry thus far. As a reminder, the Federal Reserve ('FED') has now been on hold with a funds rate of 5.25%-5.50% since June while the Bank of England ('BoE') has maintained its base rate of 5.25% since August, a 22-year high and a 16-year high respectively.

Investment Review

During the one-year period to 30 April 2024, the A Income Class returned 5.16%* in GBP terms, marginally underperforming its comparator benchmark, the MSCI custom index of 100% Long MSCI World Diversified Multiple Factor Index + 70% Short MSCI World Index, which returned 5.52% – in GBP terms.

The Sub-fund's allocation to absolute return and multi-asset strategy funds delivered positive returns. Pleasing contributions were seen from a range of diverse holdings including Janus Henderson Absolute Return, Trium ESG Emissions Improvers and Aspect Diversified Trends. As a reminder, the latter holding offers exposure to a systematic, momentum-based investment programme. Historical data shows that, due to the collective behaviour of market participants, trends are a persistent and identifiable feature of liquid markets. Aspect looks to exploit these trends through a trend following strategy that uses proprietary computer-driven models to trade across an extremely broad range of global financial and commodity markets.

Elsewhere, the Sub-fund's exposure to global equities, obtained via the HSBC MSCI World UCITS ETF, also added to absolute and relative performance, as did the fixed interest and money market fund allocations. At the individual level, detractors to the Sub-fund's returns were focused on a small group of holdings, including investments in International Public Partnership and Renewables Infrastructure. The allocation to Hipgnosis Songs was also a negative contributor to performance, as the fund experienced a restructuring of management following a majority shareholder vote against the continuation of the company. Lastly, BH Macro, a fund of hedge funds investing in funds managed by Brevan Howard Asset Management, one of the largest hedge fund managers globally, struggled in what proved to be a tough environment for macro trading in 2023, with the sharp swings seen in equity prices and bond yields proving challenging. This has led to a reassessment of their current strategies and a restructuring of their senior trading team. We think the holding continues to offer attractive long-term diversification benefits.

During the period, we decided to exit our position in music royalty company Hipgnosis Songs. The Sub-fund's exposure to infrastructure investments were also exited as part of a review of the underlying allocations. Across the absolute return and multi-asset strategy allocation, we broadened out our exposure through the addition of Trojan. The holding is a multi-asset strategy that aims to protect investors' capital and grow its value in real terms over the long term. The strategy primarily invests in developed market equities and bonds (including a large current allocation to US Treasury Inflation-Protected Securities ('TIPS')), gold investments, as well as cash and short-dated Treasury bills. The process benefits from stable and experienced portfolio management and research teams, and demonstrates a clear, transparent approach to portfolio construction that ensures a clearly defined role within the Sub-fund.



Outlook

As mentioned, economic data continues to paint a mixed picture, which has left central bankers more reluctant to loosen monetary policy than was widely assumed at the start of 2024. Although inflation is back at far more palatable levels in year-on-year terms, rate setters remain concerned that the fight is not over and that a significant reduction in interest rates could cause another push higher in price pressures.

Against this backdrop, we remain constructive in our outlook for investors. The first half of 2024 has been pleasing, but it has certainly not been an indiscriminate 'everything rally' fuelled by the unbridled optimism that we saw at the end of 2023. This has been a rewarding time for stock markets, particularly large technology companies exposed to the generative AI theme, and there are some pockets of the market that are undoubtedly pricing in significant growth expectations, necessitating the need to tread carefully. However, across certain sectors and asset classes it has been a fairly underwhelming and, in some cases, negative period of returns. We believe the backdrop is likely to become increasingly supportive for active managers, with individual opportunities continuing to emerge.

**Source: Financial Express, 10 June 2024. All figures to 30 April 2024.*

~Source: Data provided by FactSet.

MI Quilter Cheviot Diversified Returns Fund

Fund Information

Non-UCITS retail scheme Key Investor Information

This document provides you with key investor information about this fund. It is not marketing material. The information is required by law to help you understand the nature and the risks of investing in this fund. You are advised to read it so you can make an informed decision about whether to invest.



MI Quilter Cheviot Diversified Returns Fund ("the Fund") A Income Shares

This is a sub fund of MI Quilter Cheviot Investment Funds. The Fund is a non-UCITS retail scheme Open Ended Investment Company. ISIN: GB00BMT7R591. Apex Fundrock Ltd is the Authorised Corporate Director of the Fund ("MI" and "MI Funds" are trading names of the ACD).

Objectives and investment policy

The Fund aims to deliver capital growth and income on a rolling five-year basis, by investing predominantly in a diversified portfolio of asset classes either directly or indirectly.

The Fund will typically invest at least 90% of the portfolio indirectly but at times, dependent on market conditions and the Investment Manager's view of the market, the indirect exposure may be higher or lower than 90% but is never expected to fall below 80%.

The Fund's indirect investments will include other investment funds (which may include those that are managed or operated by the ACD or an associate of the ACD), to give further exposure to a diversified portfolio of asset classes.

The Fund will have typically 60% (but a minimum of 50%) invested in alternative asset classes such as: private equity; infrastructure; currency; derivatives; and funds with absolute return strategies and multi asset strategies. The Fund will have no direct exposure to property or commodities funds.

Most of the alternative asset class exposure will be through funds with absolute return strategies and multi-asset strategies.

Absolute return funds aim to deliver positive returns regardless of the direction of broader investment markets. Multi asset funds invest across different asset classes, seeking to achieve asset diversification within the one fund.

A portion of the Fund will be invested in low-cost investments that track the performance of mainstream asset classes (but the Fund itself does not seek to track any index). No more than 50% of the Fund will be invested in index-tracking investments.

The Fund may also hold other assets, including company shares, government bonds, investment grade and/or sub-investment grade corporate bonds and cash.

Bonds are like loans that pay a fixed or variable rate of interest issued by governments, companies and other large organisations worldwide. Bonds are classified by rating agencies for their creditworthiness: those rated 'investment grade' generally carry a relatively low risk of default but also tend to offer lower yields than 'non-investment grade' bonds which, in turn, generally have a higher risk of default but also tend to offer higher yields.

The Fund may use derivatives, which are sophisticated instruments whose value is linked to the rise and fall of other assets, to achieve its investment objectives and for the purposes of hedging and efficient portfolio management, with the aim of managing risk and cost.

The Fund is actively managed. This means the Investment Manager uses their expertise to pick investments to achieve the Fund's objective.

Any income this share class generates will be paid out to you.

You can buy and sell shares on any business day in London.

Recommendation: this Fund may not be appropriate for investors who plan to withdraw their money within 5 years.

For full investment objectives and policy details please refer to the Prospectus.

Risk and reward profile

The Risk and Reward Indicator table demonstrates where the Fund ranks in terms of its potential risk and reward. The higher the rank the greater the potential reward but the greater the risk of losing money. It is based on past data, may change over time and may not be a reliable indication of the future risk profile of the Fund. The shaded area in the table below shows the Fund's ranking on the Risk and Reward Indicator.



- The Fund is ranked at 3 because funds of this type have experienced low to medium rises and falls in value in the past. Please note that even the lowest risk class can lose you money and that extreme market circumstances can mean you suffer severe losses in all cases. The indicator does not take into account the following risks of investing in this Fund:
- Investing overseas can bring additional returns and spread risk to different markets. There are risks, however, that changes in currency exchange rates may cause the value of your investment to decrease or increase.
- Investing in other funds may expose investors to increased risk due to less strict regulations and the use of derivatives. These other funds can themselves invest into assets such as bonds, company shares, cash and currencies. The objectives and risk profiles of these underlying funds may not be fully in line with those of this Fund.
- In difficult market conditions, the value of some investments may be less predictable than normal and the Fund may not be able to buy and sell these investments at the best time or at a fair price. This could affect the Fund's performance, potentially reducing your returns.
- The Fund may invest in bond funds which will be impacted by changes in interest rates, inflation and any decline in creditworthiness of the underlying bond issuers.
- The Fund can use derivatives in order to meet its investment objectives or to protect from price and currency movement. This may result in gains or losses that are greater than the original amount invested.
- For further risk information please see the Prospectus.

MI Quilter Cheviot Diversified Returns Fund

Fund Information



Charges

The charges you pay are used to pay the costs of running the Fund, including the costs of marketing and distributing it. These charges reduce the potential growth of your investment.

One-off charges taken before or after you invest	
Entry charge	0.00%
Exit charge	0.00%

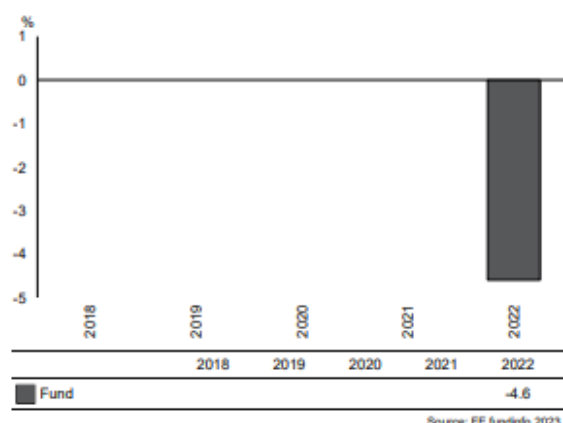
These are the maximum charges that we might take out of your money before it is invested and before we pay out the sale proceeds of your investment. In some cases, you might pay less and you should speak to your financial adviser about this.

Charges taken from the Fund over a year	
Ongoing charges	0.73%

Charges taken from the Fund under specific conditions	
Performance fee	NONE

- The ongoing charges figure 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).
- For the ongoing charge, the figure is as at 31 October 2022.
- You may also be charged a dilution levy on entry to or exit from the Fund, this is to cover costs associated with your transaction.
- For more information about charges, please see the prospectus.

Past performance



- You should be aware that past performance is not a guide to future performance.
- Fund launch date: 30/09/2021.
- Share/unit class launch date: 30/09/2021.
- Performance is calculated in GBP.

Practical information

- This document is issued by Apex Fundrock Ltd and contains information on the A Income Shares only ("MI" and "MI Funds" are trading names of the ACD).
- Each fund of the Company has its own pool of assets and liabilities, segregated by law. If one fund were unable to pay for its liabilities the assets of the other funds could not be used to pay for those liabilities.
- You can get further detailed information regarding the Fund, including details of the investment manager and how to switch, buy and sell shares and other share classes available, within the prospectus, the supplementary information document and the annual and half yearly managers' reports. You can get these free of charge from Apex Fundrock Ltd, Hamilton Centre, Rodney Way, Chelmsford, Essex CM1 3BY or from our website: www.fundrock.com. These are available in English only. You can call us on 0345 521 1006, or look on our website for the latest unit prices.
- Details of the ACD's remuneration policy (including a description of how remuneration and benefits are calculated, the composition of the remuneration committee and the identities of persons responsible for awarding remuneration and benefits) are available at www.fundrock.com/mi-fund-data or by requesting a paper copy free of charge (see above for contact details).
- The Depository of the Fund is Northern Trust Investor Services Limited.
- Please note that the tax laws of the United Kingdom may impact your own tax position.

MI Quilter Cheviot European Equity Fund

Sub-Fund Overall Value Assessment score 30th April 2024

The ACD has produced an overall assessment of value for the sub-fund taking into account the value provided across all the services that underpin the management and operation of the sub-fund, using the criteria set out in the Regulations and described in this document. The performance of the sub-fund is a significant factor in the derivation of this assessment. However, while the assessment of value is not solely driven by performance, funds that are consistently poor performers over time when compared against funds with a similar investment outlook, are likely to be graded as “poor value”.

Good

The Fund has only been in existence for a few years and its objectives are a rolling five-year period of performance, therefore it is too early to judge long term value.

Sub-Fund Performance 30th April 2024

The MI Quilter Cheviot European Equity Fund has a stated objective of delivering capital growth and income on a rolling five year, the fund managers also reference the Fund's performance against the MSCI Europe ex UK Index, the Fund can also be compared to funds in the IA Europe ex UK sector. Over the year to the end of April 2024 the Fund returned 8.5% compared to the MSCI Europe ex UK Index 8%. The Fund has not been in existence for three years, but over two years it has returned 23.3% compared to the MSCI Europe ex UK Index 22%. The Fund has also managed to outperform the IA Europe ex UK sector in both time periods.

1 Year	Good
3 Years	Good
5 Years	N/A

Investors should recognise that the Fund is actively managed and is SRRI risk rated 6 and that short-term market volatility can affect the performance over all time periods positively or negatively. Every fund will have periods of weak performance, and this should also be considered when investing in any fund.

The Investment Manager has made the following commentary in respect of the performance of the Fund:

Market Commentary

2023 was a rewarding year for long-term investors who stayed the course. It was also a year full of surprises: the much-anticipated US recession failed to materialise, we avoided a full-blown banking crisis, while China severely disappointed investors, with the so-called 'Great Reopening' trade falling flat. A stellar last couple of months meant that global stock markets ended 2023 firmly higher, and began 2024 in much the same vein, with the first quarter seeing sizeable gains in US and continental European equities. Although April proved a more challenging month for investors than those preceding it, the decline in global equities should be viewed in the context of the strong gains posted since October's lows.

The general persistence of the rally in the final six months of this year is all the more pleasing given that, in recent months, there has been a significant paring back of market expectations for interest rate cuts this year. Indeed, ongoing inflation concerns, a resilient global economy and the resetting of interest rate cut expectations have been a tough headwind for fixed interest investors in 2024, leading to losses year-to-date and reversing some of the gains prompted by Q4's more 'dovish' shift among rate setters.



Elsewhere, US stocks have led the way over the period, driven by a solid labour market, high economic growth, and a handful of large tech companies at the forefront of Artificial Intelligence (AI). The performance of Alphabet (formerly Google), Amazon, Apple, Meta (formerly Facebook), Microsoft, NVIDIA and Tesla have underpinned not only US returns, but also global indices due to their large weighting. US stocks ended 2023 20% higher in sterling terms, with these so-called 'Magnificent Seven' tech companies responsible for roughly half of these gains, leaving 72% of stocks underperforming the headline market return over the calendar year. 2024 has thus far seen a more divergent period of performance for these companies, although their size, scope, and dominant market position, along with their existing operations, means they remain extremely well placed. These businesses also remain remarkably nimble, and can implement change rapidly, as seen with the swift cost cutting measures undertaken by Meta in the latter stages of 2022.

While the large weighting to commodity and financials companies within the index was a key factor for the UK's outperformance of other regions in April, there has also recently been a growing trend of corporate activity in listed UK companies, prompted by the relatively inexpensive nature of the UK stock market and the discount on which many quality companies are trading versus their peers. This certainly prompts mixed feelings. While it can create opportunity for active managers and the possibility for sharp (and short-term) uplifts on the value of holdings, in the absence of a healthy initial public offering (IPO) market it results in a diminishing opportunity set available to investors in the UK stock market. The loss of attractive long-term investment opportunities therefore further reduces the appeal of the index. In addition to outright bids, several companies have also decided to move their listing overseas, or announce that a move is under consideration, including some significant index heavyweights. As such, the dwindling nature of the UK stock market is an area very much in the spotlight, with a clear call to ensure the UK remains an attractive environment for companies to come to market.

While the UK slid into a shallow technical recession in the second half of last year, the economy managed to eke out 0.1% Gross Domestic Product (GDP) growth for 2023. The eurozone similarly struggled to grow, registering 0.5% 2023 GDP growth, but given the bleak projections due to sharply higher interest rates the fact economies are not significantly contracting can be viewed as a positive development. This has been a blessing for central bankers. Having found themselves stuck between a rock and a hard place a couple of years ago – with surging inflation and the spectre of deep recessions brought on by their sharply higher interest rates – rate setters are now in a much more comfortable position. Economies avoiding sharp contractions without the need for monetary support has allowed central bankers to bide their time, letting the current, restrictive interest rate levels continue to apply downward pressure on inflation. Should economic activity deteriorate substantially, central bankers are now poised in a position where they can act swiftly, having kept their powder dry thus far. As a reminder, the Federal Reserve (FED) has now been on hold with a funds rate of 5.25%-5.50% since June while the Bank of England (BoE) has maintained its base rate of 5.25% since August, a 22-year high and a 16-year high respectively.

Investment Review

During the one-year period to 30 April 2024, the A Income Class returned 8.53%* in GBP terms, marginally underperforming its comparator benchmark, the MSCI Europe ex United Kingdom Index (net), which returned 7.96%~ in GBP terms.

Performance across sectors was varied over the year, with stock selection within the Consumer Staples and Utilities sectors a significant detractor from the Sub-fund's relative returns. One of the principal underperformers was Pernod Ricard, the premium wine, and spirits operator, which missed earnings expectations amid a decline in demand in key regions such as the US and China. Despite these headwinds, we continue to see the aspirational nature of many of its brands providing the potential for continued 'premiumisation' with consumers, further enhancing growth and, alongside strong cost controls, accelerating profit improvement. Another laggard, within the Utilities sector, was EDP Renovaveis (EDPR), one of the few listed renewables pure plays in Europe and the owner and operator of a portfolio of wind and solar farms. Despite some operational setbacks, cost pressures and lower electricity prices over the period, we think the stock valuation remains attractive. Furthermore, the longer-term growth prospects for renewables look strong, with EDPR continuing to achieve strong returns on its assets. Finally, we saw considerable weakness from Alstom, the French transportation company, with the company pre-announcing its results in October and guiding to weaker than anticipated free cash flow. Longer-term, we see the company as a significant beneficiary of global targets to achieve carbon neutrality through sustainable transportation. The stock continues to trade on an inexpensive valuation.

From an absolute and relative perspective, security selection within the strong-performing Information Technology sector was a key factor in the Sub-fund's returns over the period. This contribution was most notable within the Semiconductors & Semiconductor Equipment industry, with the Sub-fund's overweight position to ASML proving beneficial to performance. ASML is a vital part of the supply chain in chip manufacturing. Its photolithography machines enable semiconductor companies to project a pattern onto the surface of the wafer in order to create a chip. This is the most expensive and critical stage of the manufacturing process, which means highly precise and reliable machines are needed. ASML has an extremely high market share, pricing power and is the clear leader in this industry. We therefore think the company future prospects look strong.

Elsewhere, the Sub-fund benefited from its holdings in sectors including Consumer Discretionary (through carmaker Stellantis and Adidas), Energy (via TotalEnergies) and Materials (CRH and Sika). The demonstration of robust operating cash flow and high pricing power have helped to generate positive returns, with share buybacks and healthy dividend policies also proving supportive.

Throughout the period we employed an active approach to positioning the Sub-fund. As the economic outlook and prevailing market trends shifted throughout, we were dynamic in our choice of sectors and securities, balancing risk and looking for long-term prospects that usually arise during instances of market fluctuation. Early in the period, we added to our position in SAP, the global



leader in business management software, for its defensive and high-quality characteristics. During the third quarter of 2023 we reintroduced adidas, a position originally sold in 2022. At the time of this sale, we highlighted that although we retained conviction in the global sportswear growth opportunity, we had concerns regarding the corporate strategy at the company. Since then, the appointment of a respected new CEO, coupled with a growing interest in the adidas' suite of products, lead us to see an exciting multi-year turnaround opportunity at the company, and the potential for sales and margins to surprise on the upside.

In September, we also initiated a position in Sika, a Swiss-based global market leader in construction chemicals. This is a high-quality company in a fragmented but steadily growing market, one we see as well positioned to benefit from the structural growth drivers of decarbonisation, automation, and urbanisation. The holding was funded by the sale of CRH (the manufacturer and supplier of building materials and products) following the company's transition of its primary listing to the US stock market. Moving sectors, we further increased the exposure to Sampo Oyj, the Scandinavian insurance business, reinvesting proceeds from the recent spin-off of the personal insurance, wealth, and asset management business Mandatum.

Later in the year we added to our position in ING Groep, the Dutch bank, as part of a reweighting of the Sub-fund's European banks exposure. We like ING Groep's focus on digital innovation and its shareholder-friendly capital commitments. Away from financials, and a new holding in DSV was also introduced. DSV is a Danish listed company, and the third largest freight forwarder in the world. As background, a freight forwarder facilitates trade in a capital light way by acting as the intermediary between the company shipping the product and the final destination for the goods. The company possesses best-in-class technology, a strong track record of capital allocation and a culture of entrepreneurialism. We saw the valuation as attractive for what we perceive to be a high-quality company generating strong free cashflow and deemed the recent share price weakness a buying opportunity.

In January, we exited the Sub-fund's position in Prosus, a global consumer internet group and one of the largest tech investors in the world. The majority of the company's value is via Tencent, a major Chinese online business. Given the headwinds faced by that business, questions over Prosus' ability to narrow its discount to Net Asset Value ('NAV'), as well as its capital allocation policy, we chose to exit, reinvesting the proceeds Sika and DSV.

Later in the quarter, we further increased our exposure to Novo Nordisk, the global healthcare company engaged in the discovery, development, manufacturing, and marketing of pharmaceutical products. Novo Nordisk sells products for diabetes, obesity, haemophilia and growth disorders, and has seen strong demand for its diabetes medicine Ozempic, while its obesity drug Wegovy has continued its impressive growth trajectory. Finally, in April we lowered the holding in leading office real estate company Gecina, a high-quality name in what is currently proving to be a challenging sector. We also trimmed our exposure to Nestlé (which subsequently missed forecasts as volume declines, particularly in North America, exceeded market expectations), and used the proceeds to invest in existing holdings in the Energy and Financials sectors.

Outlook

As mentioned, economic data continues to paint a mixed picture, which has left central bankers more reluctant to loosen monetary policy than was widely assumed at the start of 2024. Although inflation is back at far more palatable levels in year-on-year terms, rate setters remain concerned that the fight is not over and that a significant reduction in interest rates could cause another push higher in price pressures.

Against this backdrop, we remain constructive in our outlook for investors. The first half of 2024 has been pleasing, but it has certainly not been an indiscriminate 'everything rally' fuelled by the unbridled optimism that we saw at the end of 2023. This has been a rewarding time for stock markets, particularly large technology companies exposed to the generative AI theme, and there are some pockets of the market that are undoubtedly pricing in significant growth expectations, necessitating the need to tread carefully. However, across certain sectors and asset classes it has been a fairly underwhelming and, in some cases, negative period of returns. We believe the backdrop is likely to become increasingly supportive for active managers, with individual stock opportunities continuing to emerge.

*Source: Financial Express, 10 June 2024. All figures to 30 April 2024.

~Source: Data provided by FactSet.

MI Quilter Cheviot European Equity Fund

Fund Information

Non-UCITS retail scheme Key Investor Information

This document provides you with key investor information about this fund. It is not marketing material. The information is required by law to help you understand the nature and the risks of investing in this fund. You are advised to read it so you can make an informed decision about whether to invest.



MI Quilter Cheviot European Equity Fund (“the Fund”) A Income Shares

This is a sub fund of MI Quilter Cheviot Investment Funds. The Fund is a non-UCITS retail scheme Open Ended Investment Company. ISIN: GB00BMT7QP23. Apex Fundrock Ltd is the Authorised Corporate Director of the Fund (“MI” and “MI Funds” are trading names of the ACD).

Objectives and investment policy

The Fund aims to deliver capital growth and income on a rolling five-year basis, by investing in the shares of companies in developed European markets, excluding the UK.

The Fund will invest at least 90% directly into European company shares or indirectly through other investment funds (which may include those that are managed or operated by the ACD or an associate of the ACD) which themselves invest in the shares of European companies.

The Fund will typically invest at least 80% of the portfolio directly but at times, dependent on market conditions and the Investment Manager’s view of the market, the direct exposure may be higher or lower than 80% but is never expected to fall below 60%.

The Fund may also hold other assets, including cash.

The Fund may only make use of derivatives, which are sophisticated instruments whose value is linked to the rise and fall of other assets, for the purposes of hedging and efficient portfolio management, with the aim of managing risk and cost.

The Fund is actively managed. This means the Investment Manager uses their expertise to pick investments to achieve the Fund’s objective.

Any income this share class generates will be paid out to you.

You can buy and sell shares on any business day in London.

Recommendation: this Fund may not be appropriate for investors who plan to withdraw their money within 5 years.

For full investment objectives and policy details please refer to the Prospectus.

Risk and reward profile

The Risk and Reward Indicator table demonstrates where the Fund ranks in terms of its potential risk and reward. The higher the rank the greater the potential reward but the greater the risk of losing money. It is based on past data, may change over time and may not be a reliable indication of the future risk profile of the Fund. The shaded area in the table below shows the Fund’s ranking on the Risk and Reward Indicator.



- This Fund is ranked at 6 because funds of this type have experienced high rises and falls in value in the past. Please note that even the lowest risk class can lose you money and that extreme market circumstances can mean you suffer severe losses in all cases. The indicator does not take into account the following risks of investing in this Fund:
- Investing overseas can bring additional returns and spread risk to different markets. There are risks, however, that changes in currency exchange rates may cause the value of your investment to decrease or increase.
- Investing in other funds may expose investors to increased risk due to less strict regulations and the use of derivatives. These other funds can themselves invest into assets such as bonds, company shares, cash and currencies. The objectives and risk profiles of these underlying funds may not be fully in line with those of this Fund.
- In difficult market conditions, the value of some investments may be less predictable than normal and the Fund may not be able to buy and sell these investments at the best time or at a fair price. This could affect the Fund’s performance, potentially reducing your returns.
- For further risk information please see the Prospectus.

MI Quilter Cheviot European Equity Fund

Fund Information



Charges

The charges you pay are used to pay the costs of running the Fund, including the costs of marketing and distributing it. These charges reduce the potential growth of your investment.

One-off charges taken before or after you invest	
Entry charge	0.00%
Exit charge	0.00%

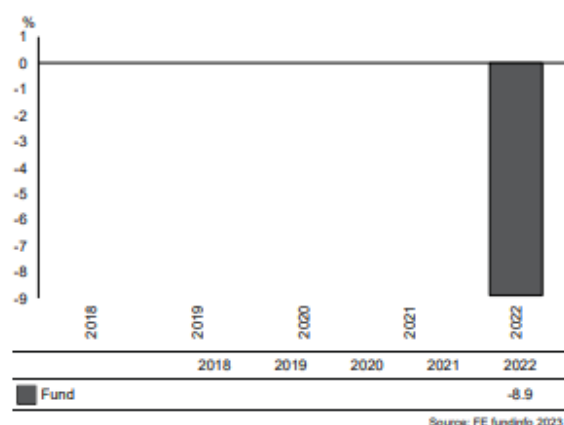
These are the maximum charges that we might take out of your money before it is invested and before we pay out the sale proceeds of your investment. In some cases, you might pay less and you should speak to your financial adviser about this.

Charges taken from the Fund over a year	
Ongoing charges	0.23%

Charges taken from the Fund under specific conditions	
Performance fee	NONE

- The ongoing charges figure 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).
- For the ongoing charge, the figure is as at 31 October 2022.
- You may also be charged a dilution levy on entry to or exit from the Fund, this is to cover costs associated with your transaction.
- For more information about charges, please see the prospectus.

Past performance



- You should be aware that past performance is not a guide to future performance.
- Fund launch date: 30/09/2021.
- Share/unit class launch date: 30/09/2021.
- Performance is calculated in GBP.

Practical information

- This document is issued by Apex Fundrock Ltd and contains information on the A Income Shares only ("MI" and "MI Funds" are trading names of the ACD).
- Each fund of the Company has its own pool of assets and liabilities, segregated by law. If one fund were unable to pay for its liabilities the assets of the other funds could not be used to pay for those liabilities.
- You can get further detailed information regarding the Fund, including details of the investment manager and how to switch, buy and sell shares and other share classes available, within the prospectus, the supplementary information document and the annual and half yearly managers' reports. You can get these free of charge from Apex Fundrock Ltd, Hamilton Centre, Rodney Way, Chelmsford, Essex CM1 3BY or from our website: www.fundrock.com. These are available in English only. You can call us on 0345 521 1006, or look on our website for the latest unit prices.
- Details of the ACD's remuneration policy (including a description of how remuneration and benefits are calculated, the composition of the remuneration committee and the identities of persons responsible for awarding remuneration and benefits) are available at www.fundrock.com/mi-fund-data or by requesting a paper copy free of charge (see above for contact details).
- The Depository of the Fund is Northern Trust Investor Services Limited.
- Please note that the tax laws of the United Kingdom may impact your own tax position.

MI Quilter Cheviot Fixed Interest Fund

Sub-Fund Overall Value Assessment score 30th April 2024

The ACD has produced an overall assessment of value for the sub-fund taking into account the value provided across all the services that underpin the management and operation of the sub-fund, using the criteria set out in the Regulations and described in this document. The performance of the sub-fund is a significant factor in the derivation of this assessment. However, while the assessment of value is not solely driven by performance, funds that are consistently poor performers over time when compared against funds with a similar investment outlook, are likely to be graded as “poor value”.

Good

The Fund has only been in existence for a few years and its objectives are a rolling five-year period of performance, therefore it is too early to judge long term value.

Sub-Fund Performance 30th April 2024

The MI Quilter Cheviot Fixed Interest Fund has a stated objective of delivering income and the potential for capital growth on a rolling five year, the fund managers also reference the Fund's performance against the IBoxx Sterling Overall Index. Over the year to the end of April 2024 the Fund returned 2.8% compared to the IBoxx Sterling Overall Index -0.2%. The Fund has not been in existence for three years, but over two years it has returned compared -10.8% to the IBoxx Sterling Overall Index -14.1%

1 Year	Good
3 Years	Good
5 Years	N/A

Investors should recognise that the Fund is actively managed and is SRRI risk rated 4 and that short-term market volatility can affect the performance over all time periods positively or negatively. Every fund will have periods of weak performance, and this should also be considered when investing in any fund.

The Investment Manager has made the following commentary in respect of the performance of the Fund:

Market Commentary

2023 was a rewarding year for long-term investors who stayed the course. It was also a year full of surprises: the much-anticipated US recession failed to materialise, we avoided a full-blown banking crisis, while China severely disappointed investors, with the so-called 'Great Reopening' trade falling flat. A stellar last couple of months meant that global stock markets ended 2023 firmly higher, and began 2024 in much the same vein, with the first quarter seeing sizeable gains in US and continental European equities. Although April proved a more challenging month for investors than those preceding it, the decline in global equities should be viewed in the context of the strong gains posted since October's lows.

The general persistence of the rally in the final six months of this year is all the more pleasing given that, in recent months, there has been a significant paring back of market expectations for interest rate cuts this year. Indeed, ongoing inflation concerns, a resilient global economy and the resetting of interest rate cut expectations have been a tough headwind for fixed interest investors in 2024, leading to losses year-to-date and reversing some of the gains prompted by Q4's more 'dovish' shift among rate setters.



While the UK slid into a shallow technical recession in the second half of last year, the economy managed to eke out 0.1% Gross Domestic Product (GDP) growth for 2023. The eurozone similarly struggled to grow, registering 0.5% 2023 GDP growth, but given the bleak projections due to sharply higher interest rates the fact economies are not significantly contracting can be viewed as a positive development. This has been a blessing for central bankers. Having found themselves stuck between a rock and a hard place a couple of years ago – with surging inflation and the spectre of deep recessions brought on by their sharply higher interest rates – rate setters are now in a much more comfortable position. Economies avoiding sharp contractions without the need for monetary support has allowed central bankers to bide their time, letting the current, restrictive interest rate levels continue to apply downward pressure on inflation. Should economic activity deteriorate substantially, central bankers are now poised in a position where they can act swiftly, having kept their powder dry thus far. As a reminder, the Federal Reserve (FED) has now been on hold with a funds rate of 5.25%-5.50% since June while the Bank of England (BoE) has maintained its base rate of 5.25% since August, a 22-year high and a 16-year high respectively.

Investment Review

During the one-year period to 30 April 2024, the A Income Class returned 2.76%* in GBP terms, outperforming its comparator benchmark, the Markit iBoxx Sterling Overall Index, which returned -0.20%~ in GBP terms.

Although less challenging than the environment endured throughout 2022, the twelve-month period under review was nevertheless volatile for UK bond investors, with the aggressive rate rise cycle that commenced in December 2021 continuing to cause waves across markets. Over the second quarter of 2023, central banks' determination to raise interest rates – given stickier than hoped for inflation – caused notable moves across the gilt market, with the two-year yield rising to 5.28% from 3.47%. In doing so, the yield surpassed the highs from last Autumn caused by ex-chancellor Kwasi Kwarteng's 'mini-budget', reaching a new 15-year high.

During the third quarter, UK government bonds fared better than their global counterparts, albeit still delivered a modest headline negative return. Expectations of a potentially lower 'terminal rate' in the UK led to a rally in shorter-dated gilts. Moving into October, headline UK government bond yields rose, albeit outperformed their US counterparts. The short-end of the gilt curve outperformed the long end as well as index-linked bonds, reflecting the growing consensus view that the Bank of England (BoE) would not further increase rates.

The final two months of 2023 ultimately proved extremely pleasing for investors, with a series of more 'dovish' signals from central banks leading to a growing expectation of a significant reduction in interest rates in 2024, and central banks changing tack in the belief that enough has been done in the fight against inflation. This pivot in the narrative led to sharp gains for bond investors, although, as discussed above, there has since been a significant paring back of market expectations for interest rate cuts this year. As such, UK government and investment grade bonds indices lost ground in the first four months of 2024.

Against a more conducive economic backdrop than had been anticipated, we saw pleasing returns from the Sub-fund's credit holdings, most notably Royal London Sterling Credit and Federated Hermes Unconstrained Credit. In contrast, the Sub-fund's longer-dated conventional gilt holdings, coupled with the index-linked gilt exposure, endured a more challenging environment, posting negative returns.

In light of the worries regarding widespread contagion in the US regional banking sector, the Federal Reserve's ongoing tightening activities as well as the risk of recession, in the first half of the period we decided to increase the defensiveness of the Sub-fund's corporate bond exposure. This was done by reducing the weighting in the Federated Hermes Unconstrained Credit and incorporating Wellington Global Credit ESG. The Wellington Global Credit ESG invests primarily in investment grade-rated corporate bonds, but has the flexibility to add value across securitised, government, high yield, and emerging market debt.

The duration of the Sub-fund's gilt exposure was also marginally increased during May and September, before being reduced in December. This latter move was implemented following the extremely strong rally enjoyed in UK government bonds throughout November and December. Given our view that the last two months of 2023 were potentially a little over-exuberant, we saw this as an opportunity to take some interest rate risk off the table, while still remaining positive on the outlook for the asset class.

Outlook

To conclude, we remain constructive in our outlook for high-quality fixed interest investments. Inflation concerns, a resilient global economy and the resetting of interest rate cut expectations have proven a headwind for bond investors so far this year. While there remains uncertainty around the scale and timing of rate cuts for the rest of 2024, with rate setters concerned that the fight is not over, the data appear increasingly supportive for downward movements and a slow, but gradual, move to more dovish policy across central banks. Government bonds offer attractive yields, and should economic growth underwhelm, resulting in more aggressive central bank action, stand well-placed to benefit.

*Source: Financial Express, 10 June 2024. All figures to 30 April 2024.

~Source: Data provided by FactSet.



MI Quilter Cheviot Fixed Interest Fund

Fund Information

Non-UCITS retail scheme Key Investor Information

This document provides you with key investor information about this fund. It is not marketing material. The information is required by law to help you understand the nature and the risks of investing in this fund. You are advised to read it so you can make an informed decision about whether to invest.



MI Quilter Cheviot Fixed Interest Fund (“the Fund”) A Income Shares

This is a sub fund of MI Quilter Cheviot Investment Funds. The Fund is a non-UCITS retail scheme Open Ended Investment Company. ISIN: GB00BMT7QH49. Apex Fundrock Ltd is the Authorised Corporate Director of the Fund (“MI” and “MI Funds” are trading names of the ACD).

Objectives and investment policy

The Fund aims to deliver income and the potential for capital growth on a rolling five-year basis, by investing predominantly in a diversified portfolio of UK and global bonds either directly or indirectly.

The Fund’s indirect investments will include other investment funds (which may include those that are managed or operated by the ACD or an associate of the ACD), to give further bonds exposure.

The Fund expects to invest 60% or greater in conventional gilts issued by the UK Government, index linked gilts and in investment grade corporate bonds.

The Fund may also hold other assets, including global sovereign debt and sub-investment grade corporate bonds and cash.

Bonds are like loans that pay a fixed or variable rate of interest issued by governments, companies and other large organisations worldwide. Bonds are classified by rating agencies for their creditworthiness: those rated ‘investment grade’ generally carry a relatively low risk of default but also tend to offer lower yields than ‘non-investment grade’ bonds which, in turn, generally have a higher risk of default but also tend to offer higher yields.

The Fund may only make use of derivatives, which are sophisticated instruments whose value is linked to the rise and fall of other assets, for the purposes of hedging and efficient portfolio management, with the aim of managing risk and cost.

The Fund is actively managed. This means the Investment Manager uses their expertise to pick investments to achieve the Fund’s objective.

Any income this share class generates will be paid out to you.

You can buy and sell shares on any business day in London.

Recommendation: this Fund may not be appropriate for investors who plan to withdraw their money within 5 years.

For full investment objectives and policy details please refer to the Prospectus.

Risk and reward profile

The Risk and Reward Indicator table demonstrates where the Fund ranks in terms of its potential risk and reward. The higher the rank the greater the potential reward but the greater the risk of losing money. It is based on past data, may change over time and may not be a reliable indication of the future risk profile of the Fund. The shaded area in the table below shows the Fund’s ranking on the Risk and Reward Indicator.



- The Fund is ranked 4 because funds of this type have experienced average rises and falls in value in the past. Please note that even the lowest risk class can lose you money and that extreme market circumstances can mean you suffer severe losses in all cases. The indicator does not take into account the following risks of investing in this Fund:
- Bond values are affected by changes in interest rates, inflation and any decline in creditworthiness of the bond issuer. Bonds that produce a higher level of income usually also carry greater risk as such bond issuers may not be able to pay the bond income as promised or could fail to repay the capital amount used to purchase the bond. There may be cases where the organisation from which we buy a bond fails to carry out its obligations which could cause losses to the Fund.
- Investing in other funds may expose investors to increased risk due to less strict regulations and the use of derivatives. These other funds can themselves invest into assets such as bonds, company shares, cash and currencies. The objectives and risk profiles of these underlying funds may not be fully in line with those of this Fund.
- The level of income may go down as well as up and is not guaranteed.
- Investing overseas can bring additional returns and spread risk to different markets. There are risks, however, that changes in currency exchange rates may cause the value of your investment to decrease or increase.
- For further risk information please see the Prospectus.

MI Quilter Cheviot Fixed Interest Fund

Fund Information



Charges

The charges you pay are used to pay the costs of running the Fund, including the costs of marketing and distributing it. These charges reduce the potential growth of your investment.

One-off charges taken before or after you invest

Entry charge	0.00%
Exit charge	0.00%

These are the maximum charges that we might take out of your money before it is invested and before we pay out the sale proceeds of your investment. In some cases, you might pay less and you should speak to your financial adviser about this.

Charges taken from the Fund over a year

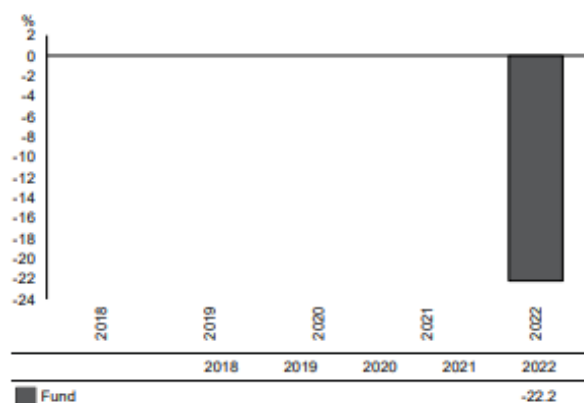
Ongoing charges	0.28%
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Charges taken from the Fund under specific conditions

Performance fee	NONE
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- The ongoing charges figure 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).
- For the ongoing charge, the figure is as at 31 October 2022.
- You may also be charged a dilution levy on entry to or exit from the Fund, this is to cover costs associated with your transaction.
- For more information about charges, please see the prospectus.

Past performance



- You should be aware that past performance is not a guide to future performance.
- Fund launch date: 30/09/2021.
- Share/unit class launch date: 30/09/2021.
- Performance is calculated in GBP.

Practical information

- This document is issued by Apex Fundrock Ltd and contains information on the A Income Shares only ("MI" and "MI Funds" are trading names of the ACD).
- Each fund of the Company has its own pool of assets and liabilities, segregated by law. If one fund were unable to pay for its liabilities the assets of the other funds could not be used to pay for those liabilities.
- You can get further detailed information regarding the Fund, including details of the investment manager and how to switch, buy and sell shares and other share classes available, within the prospectus, the supplementary information document and the annual and half yearly managers' reports. You can get these free of charge from Apex Fundrock Ltd, Hamilton Centre, Rodney Way, Chelmsford, Essex CM1 3BY or from our website: www.fundrock.com. These are available in English only. You can call us on 0345 521 1006, or look on our website for the latest unit prices.
- Details of the ACD's remuneration policy (including a description of how remuneration and benefits are calculated, the composition of the remuneration committee and the identities of persons responsible for awarding remuneration and benefits) are available at www.fundrock.com/mi-fund-data or by requesting a paper copy free of charge (see above for contact details).
- The Depositary of the Fund is Northern Trust Investor Services Limited.
- Please note that the tax laws of the United Kingdom may impact your own tax position.

MI Quilter Cheviot North American Equity Fund

Sub-Fund Overall Value Assessment score 30th April 2024

The ACD has produced an overall assessment of value for the sub-fund taking into account the value provided across all the services that underpin the management and operation of the sub-fund, using the criteria set out in the Regulations and described in this document. The performance of the sub-fund is a significant factor in the derivation of this assessment. However, while the assessment of value is not solely driven by performance, funds that are consistently poor performers over time when compared against funds with a similar investment outlook, are likely to be graded as “poor value”.

Good

The Fund has only been in existence for a few years and its objectives are a rolling five-year period of performance, therefore it is too early to judge long term value.

Sub-Fund Performance 30th April 2024

The MI Quilter Cheviot North American Equity Fund has a stated objective of delivering capital growth and income over a rolling five-year basis, the fund managers also reference the Fund’s performance against the MSCI North America Index, and The Fund can also be compared to funds in the IA North America sector. Over the year to the end of April 2024 the Fund returned 23.5% compared to the MSCI North America Index 22.5%. The Fund has not been in existence for three years, but over two years it has returned 23.9% compared to the MSCI North American Index 23.8%. The Fund has also managed to outperform the median fund in the IA North American Sector in both of those time periods.

1 Year	Good
3 Years	Good
5 Years	N/A

Investors should recognise that the Fund is actively managed and is SRRI risk rated 6 and that short-term market volatility can affect the performance over all time periods positively or negatively. Every fund will have periods of weak performance, and this should also be considered when investing in any fund.

The Investment Manager has made the following commentary in respect of the performance of the Fund:

Market Commentary

2023 was a rewarding year for long-term investors who stayed the course. It was also a year full of surprises: the much-anticipated US recession failed to materialise, we avoided a full-blown banking crisis, while China severely disappointed investors, with the so-called ‘Great Reopening’ trade falling flat. A stellar last couple of months meant that global stock markets ended 2023 firmly higher, and began 2024 in much the same vein, with the first quarter seeing sizeable gains in US and continental European equities. Although April proved a more challenging month for investors than those preceding it, the decline in global equities should be viewed in the context of the strong gains posted since October’s lows.

The general persistence of the rally in the final six months of this year is all the more pleasing given that, in recent months, there has been a significant paring back of market expectations for interest rate cuts this year. Indeed, ongoing inflation concerns, a resilient



global economy and the resetting of interest rate cut expectations have been a tough headwind for fixed interest investors in 2024, leading to losses year-to-date and reversing some of the gains prompted by Q4's more 'dovish' shift among rate setters. Elsewhere, US stocks have led the way over the period, driven by a solid labour market, high economic growth, and a handful of large tech companies at the forefront of Artificial Intelligence ('AI'). The performance of Alphabet (formerly Google), Amazon, Apple, Meta (formerly Facebook), Microsoft, NVIDIA and Tesla have underpinned not only US returns, but also global indices due to their large weighting. US stocks ended 2023 20% higher in sterling terms, with these so-called 'Magnificent Seven' tech companies responsible for roughly half of these gains, leaving 72% of stocks underperforming the headline market return over the calendar year. 2024 has thus far seen a more divergent period of performance for these companies, although their size, scope, and dominant market position, along with their existing operations, means they remain extremely well placed. These businesses also remain remarkably nimble, and can implement change rapidly, as seen with the swift cost cutting measures undertaken by Meta in the latter stages of 2022.

While the large weighting to commodity and financials companies within the index was a key factor for the UK's outperformance of other regions in April, there has also recently been a growing trend of corporate activity in listed UK companies, prompted by the relatively inexpensive nature of the UK stock market and the discount on which many quality companies are trading versus their peers. This certainly prompts mixed feelings. While it can create opportunity for active managers and the possibility for sharp (and short-term) uplifts on the value of holdings, in the absence of a healthy initial public offering ('IPO') market it results in a diminishing consideration, including some significant index heavyweights. As such, the dwindling nature of the UK stock market is an area very much in the spotlight, with a clear call to ensure the UK remains an attractive environment for companies to come to market.

While the UK slid into a shallow technical recession in the second half of last year, the economy managed to eke out 0.1% Gross Domestic Product ('GDP') growth for 2023. The eurozone similarly struggled to grow, registering 0.5% 2023 GDP growth, but given the bleak projections due to sharply higher interest rates the fact economies are not significantly contracting can be viewed as a positive development. This has been a blessing for central bankers. Having found themselves stuck between a rock and a hard place a couple of years ago – with surging inflation and the spectre of deep recessions brought on by their sharply higher interest rates – rate setters are now in a much more comfortable position. Economies avoiding sharp contractions without the need for monetary support has allowed central bankers to bide their time, letting the current, restrictive interest rate levels continue to apply downward pressure on inflation. Should economic activity deteriorate substantially, central bankers are now poised in a position where they can act swiftly, having kept their powder dry thus far. As a reminder, the Federal Reserve ('FED') has now been on hold with a funds rate of 5.25%-5.50% since June while the Bank of England ('BoE') has maintained its base rate of 5.25% since August, a 22-year high and a 16-year high respectively.

Investment Review

During the one-year period to 30 April 2024, the A Income Class returned 23.50%* in GBP terms, marginally outperforming its comparator benchmark, the MSCI North America Index (net), which returned 22.53%~ in GBP terms. Performance varied considerably across different sectors, as some industries kept expanding and dominating the US market, while others faced challenges in this extended higher interest rate environment.

The Sub-fund's returns were boosted both in absolute and relative terms by its exposure to the Consumer Discretionary sector, where stock selection was the main source of outperformance. The overweight position in Amazon.com (a beneficiary of generative AI developments through its cloud services, while also demonstrating a strong earnings profile from its well-known e-commerce business) benefitted from a series of positive quarterly results over the period. Marriott International, another holding in the sector, also meaningfully outperformed over the period, benefitting from an increase in its capacity after partnering with MGM resorts, as well as a rise in cross-border travel.

Elsewhere, security selection within the Sub-fund's Materials sector exposure contributed to headline outperformance, with Linde (the global supplier of industrial, process and specialty gases) and CRH (the manufacturer and supplier of building materials and products) both delivering strong returns. Worthy of mention is the fact that the latter relocated its primary listing to the US during the period, bringing it within scope for inclusion as one of our preferred ideas. Holdings within the Industrials sector also contributed positively, most notably the position in equipment rental company United Rentals. Finally, the Sub-fund's exposure to the Information Technology sector added to both absolute and relative returns. While leading chip, systems, and software provider NVIDIA (a name added over the period) has garnered significant media attention given its prominence in the generative AI theme, other notable performers included Advanced Micro Devices ('AMD'), Taiwan Semiconductor, cybersecurity specialist Palo Alto Networks and accounting, bookkeeping and tax software giant Intuit.

In contrast, the Sub-fund's exposure to the Healthcare sector was the largest negative detractor to performance, most notably global biopharmaceutical name Pfizer, which has faced difficulties in sustaining significant sales volume after its blockbuster COVID-19 vaccine. Medical technology company Medtronic also disappointed over the period, while the holding in NextEra Energy – the US utility possessing the world's largest portfolio of wind and solar assets – endured a challenging 2023. We continue to believe the company offers sector leading renewables growth, alongside one of the cheapest and most reliable regulated energy services in the fastest growing US state.

Throughout the period we employed an active approach to positioning the Sub-fund. As the economic outlook and prevailing market trends shifted throughout, we were dynamic in our choice of sectors and securities, balancing risk and looking for long-term



prospects that usually arise during instances of market fluctuation. Early in the period we initiated a position in Salesforce, a leading provider of Software as a Service ('SaaS') with principal products in Customer Relationship Management ('CRM'). Unlike traditional software, SaaS software has no large upfront fee, lower implementation costs and is paid for by a subscription fee. Growing both sales and cashflow quickly, and with its products becoming the de facto standard in this area, we added Salesforce for its resilient sales growth in a difficult economic backdrop, its improving profitability and increasingly shareholder friendly profile.

In June we sold Dollar General off the back of a weak earnings update. Our thesis on the stock had been that it would prove to be relatively defensive in a tough macro environment, but the company's core consumer base proved to be under pressure, and uncertainty over the short-term outlook led us to exit the position in favour of deploying the capital across other positions. Later in the period we introduced a holding in Equinix, the largest publicly listed data centre company. Well-positioned within a market experiencing structural undersupply, Equinix is a high-quality global operator providing exposure to the growing demand for data centre space arising from streaming content, cloud computing, 5G networks and AI.

Reviewing other activity, we exited our holding in The Walt Disney Company, a disappointing performer since its reintroduction to the Sub-fund at the end of 2022. Despite the quality of the company's brands, its traditional TV channels have seen meaningful sales and profitability declines. Coupled with a number of other challenges facing the company at this point in time, we chose to move on. Some of these proceeds were used to reinitiate a position in Meta (Facebook), where the company has demonstrated a remarkable ability since the lows of 2022 to refocus, cut cost and monetise its mobile advertising business.

As highlighted, the Semiconductors & Semiconductor Equipment industry has been a key driver of headline market returns over the period. As a consequence, we have been active in positioning the Sub-fund's exposure to reflect our preferences while also remaining wary of chasing the generative AI theme too aggressively. Over the period we took the decision to add incrementally to NVIDIA, initially taking profits from our holding in AMD. Later in the period we also sold the position in Micron Technology, thereby focusing exposure on a smaller number of names. As a reminder, NVIDIA is the leader in the design and production of Graphics Processing Units ('GPUs'). GPUs are used in PC graphics cards for gaming, in Datacentres for Artificial Intelligence & Machine Learning and for machine vision in Autonomous driving, Drones, Medical Imaging and Robotics. The company has continued to demonstrate exceptional revenue growth, and given its well-documented share price strength, has now become a meaningful index position. Despite the scale of the gains seen thus far, we remain positive on the outlook for the industry, with our larger 'active position' (relative to the index) currently in AMD, where we see the opportunity for further upside as the market reappraises its view on the company's potential.

In the last quarter of 2023, we added CRH to the Sub-fund as mentioned above. We also trimmed our holding in global biopharmaceuticals company Pfizer, investing the proceeds into Amazon, which subsequently delivered well-received results. Microsoft was also moved to a more meaningful 'overweight' position relative to the market, while we reduced the holding in Apple to reflect current preferences.

In early 2024 we exited our position in railroad company Union Pacific, rotating the exposure to Canadian Pacific Kansas City as our preferred holding in the industry. Canadian Pacific owns and operates commercial rail roads, predominantly in Canada, the East coast of the United States and Mexico. Crucially, it is the only railroad to operate a single line across the three countries, and we believe this offers exciting growth opportunities for the company as a beneficiary of the trend towards 'nearshoring' in the pursuit of more secure supply chains. More broadly, rail transportation is significantly more fuel efficient than trucking, produces circa 75% fewer greenhouse gas emissions, and is typically 15% cheaper than trucking for most distances delivered. We see opportunity for share gains within the rail industry as a result. Elsewhere, we topped up our position in Meta Platforms, reducing our holdings in Google's parent company Alphabet, Apple, and global snack giant Mondelez International. We also added a dedicated allocation to US small and mid-sized companies by incorporating a new holding in the Artemis Funds (Lux). This proved to be far from fantastic timing given April's wobble, but we like the prospects for the exposure with a longer timeframe in mind. Smaller firms in the US tend to perform especially well in a falling rate environment, with more domestically focused businesses (as small and mid-sized companies often are) typically doing better when there are clear signs of a recovery in consumer confidence. Recent government-led incentives are also likely to benefit domestic companies, while valuations for quality companies down the market cap look very attractive against the broader market. We see the fund as offering a clear, consistent, and historically successful approach to 'small cap' investing that is complementary to our other, overwhelmingly stock-specific ideas within the Sub-fund.

Outlook

As mentioned, economic data continues to paint a mixed picture, which has left central bankers more reluctant to loosen monetary policy than was widely assumed at the start of 2024. Although inflation is back at far more palatable levels in year-on-year terms, rate setters remain concerned that the fight is not over and that a significant reduction in interest rates could cause another push higher in price pressures.

Against this backdrop, we remain constructive in our outlook for investors. The first half of 2024 has been pleasing, but it has certainly not been an indiscriminate 'everything rally' fuelled by the unbridled optimism that we saw at the end of 2023. This has been a rewarding time for stock markets, particularly large technology companies exposed to the generative AI theme, and there are some pockets of the market that are undoubtedly pricing in significant growth expectations, necessitating the need to tread carefully. However, across certain sectors and asset classes it has been a fairly underwhelming and, in some cases, negative period



of returns. We believe the backdrop is likely to become increasingly supportive for active managers, with individual stock opportunities continuing to emerge.

**Source: Financial Express, 10 June 2024. All figures to 30 April 2024.*

~Source: Data provided by FactSet.

MI Quilter Cheviot North American Equity Fund

Fund Information

Non-UCITS retail scheme Key Investor Information

This document provides you with key investor information about this fund. It is not marketing material. The information is required by law to help you understand the nature and the risks of investing in this fund. You are advised to read it so you can make an informed decision about whether to invest.



MI Quilter Cheviot North American Equity Fund (“the Fund”) A Income Shares

This is a sub fund of MI Quilter Cheviot Investment Funds. The Fund is a non-UCITS retail scheme Open Ended Investment Company. ISIN: GB00BMT7QM91. Apex Fundrock Ltd is the Authorised Corporate Director of the Fund (“MI” and “MI Funds” are trading names of the ACD).

Objectives and investment policy

The Fund aims to deliver capital growth and income on a rolling five-year basis, by investing in the shares of North American companies.

The Fund will invest at least 90% directly into North American company shares or indirectly through other investment funds (which may include those that are managed or operated by the ACD or an associate of the ACD) which themselves invest in the shares of North American companies.

The Fund will typically invest at least 80% of the portfolio directly but at times, dependent on market conditions and the Investment Manager’s view of the market, the direct exposure may be higher or lower than 80% but is never expected to fall below 60%.

The Fund may also hold other assets, including cash.

The Fund may only make use of derivatives, which are sophisticated instruments whose value is linked to the rise and fall of other assets, for the purposes of hedging and efficient portfolio management, with the aim of managing risk and cost.

The Fund is actively managed. This means the Investment Manager uses their expertise to pick investments to achieve the Fund’s objective.

Any income this share class generates will be paid out to you.

You can buy and sell shares on any business day in London.

Recommendation: this Fund may not be appropriate for investors who plan to withdraw their money within 5 years.

For full investment objectives and policy details please refer to the Prospectus.

Risk and reward profile

The Risk and Reward Indicator table demonstrates where the Fund ranks in terms of its potential risk and reward. The higher the rank the greater the potential reward but the greater the risk of losing money. It is based on past data, may change over time and may not be a reliable indication of the future risk profile of the Fund. The shaded area in the table below shows the Fund’s ranking on the Risk and Reward Indicator.



- This Fund is ranked at 6 because funds of this type have experienced high rises and falls in value in the past. Please note that even the lowest risk class can lose you money and that extreme market circumstances can mean you suffer severe losses in all cases. The indicator does not take into account the following risks of investing in this Fund:
- Investing overseas can bring additional returns and spread risk to different markets. There are risks, however, that changes in currency exchange rates may cause the value of your investment to decrease or increase.
- Investing in other funds may expose investors to increased risk due to less strict regulations and the use of derivatives. These other funds can themselves invest into assets such as bonds, company shares, cash and currencies. The objectives and risk profiles of these underlying funds may not be fully in line with those of this Fund.
- In difficult market conditions, the value of some investments may be less predictable than normal and the Fund may not be able to buy and sell these investments at the best time or at a fair price. This could affect the Fund’s performance, potentially reducing your returns.
- For further risk information please see the Prospectus.

MI Quilter Cheviot North American Equity Fund

Fund Information



Charges

The charges you pay are used to pay the costs of running the Fund, including the costs of marketing and distributing it. These charges reduce the potential growth of your investment.

One-off charges taken before or after you invest	
Entry charge	0.00%
Exit charge	0.00%

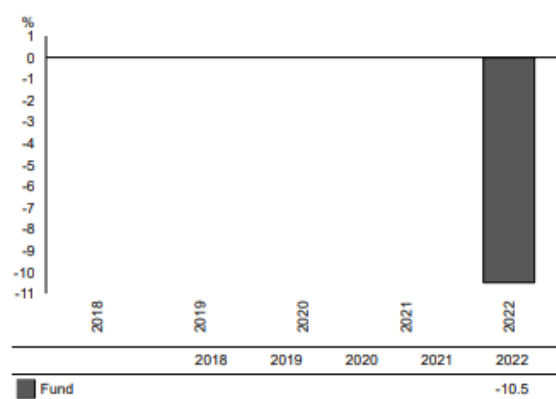
These are the maximum charges that we might take out of your money before it is invested and before we pay out the sale proceeds of your investment. In some cases, you might pay less and you should speak to your financial adviser about this.

Charges taken from the Fund over a year	
Ongoing charges	0.10%

Charges taken from the Fund under specific conditions	
Performance fee	NONE

- The ongoing charges figure 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).
- For the ongoing charge, the figure is as at 31 October 2022.
- You may also be charged a dilution levy on entry to or exit from the Fund, this is to cover costs associated with your transaction.
- For more information about charges, please see the prospectus.

Past performance



- You should be aware that past performance is not a guide to future performance.
- Fund launch date: 30/09/2021.
- Share/unit class launch date: 30/09/2021.
- Performance is calculated in GBP.

Practical information

- This document is issued by Apex Fundrock Ltd and contains information on the A Income Shares only ("MI" and "MI Funds" are trading names of the ACD).
- Each fund of the Company has its own pool of assets and liabilities, segregated by law. If one fund were unable to pay for its liabilities the assets of the other funds could not be used to pay for those liabilities.
- You can get further detailed information regarding the Fund, including details of the investment manager and how to switch, buy and sell shares and other share classes available, within the prospectus, the supplementary information document and the annual and half yearly managers' reports. You can get these free of charge from Apex Fundrock Ltd, Hamilton Centre, Rodney Way, Chelmsford, Essex CM1 3BY or from our website: www.fundrock.com. These are available in English only. You can call us on 0345 521 1006, or look on our website for the latest unit prices.
- Details of the ACD's remuneration policy (including a description of how remuneration and benefits are calculated, the composition of the remuneration committee and the identities of persons responsible for awarding remuneration and benefits) are available at www.fundrock.com/mi-fund-data or by requesting a paper copy free of charge (see above for contact details).
- The Depository of the Fund is Northern Trust Investor Services Limited.
- Please note that the tax laws of the United Kingdom may impact your own tax position.

MI Quilter Cheviot UK Equity Fund

Sub-Fund Overall Value Assessment score 30th April 2024

The ACD has produced an overall assessment of value for the sub-fund taking into account the value provided across all the services that underpin the management and operation of the sub-fund, using the criteria set out in the Regulations and described in this document. The performance of the sub-fund is a significant factor in the derivation of this assessment. However, while the assessment of value is not solely driven by performance, funds that are consistently poor performers over time when compared against funds with a similar investment outlook, are likely to be graded as “poor value”.

Good

The Fund has only been in existence for a few years and its objectives are a rolling five-year period of performance, therefore it is too early to judge long term value.

Sub-Fund Performance 30th April 2024

The MI Quilter Cheviot UK Equity Fund has a stated objective of delivering capital growth and income over a rolling five-year basis, the fund managers also reference the Fund’s performance against the MSCI UK Index, and The Fund can also be compared to funds in the IA UK All Companies sector. Over the year to the end of April 2024 the Fund returned 12.6% compared to the MSCI UK Index 7.7%. The Fund has not been in existence for three years, but over two years it has returned 18.9% compared to the MSCI UK Index 16.6%. The Fund has also managed to outperform the median fund in the IA UK All Companies sector over both time periods.

1 Year	Good
3 Years	Good
5 Years	N/A

Investors should recognise that the Fund is actively managed and is SRRI risk rated 6 and that short-term market volatility can affect the performance over all time periods positively or negatively. Every fund will have periods of weak performance, and this should also be considered when investing in any fund.

The Investment Manager has made the following commentary in respect of the performance of the Fund:

Market Commentary

2023 was a rewarding year for long-term investors who stayed the course. It was also a year full of surprises: the much-anticipated US recession failed to materialise, we avoided a full-blown banking crisis, while China severely disappointed investors, with the so-called ‘Great Reopening’ trade falling flat. A stellar last couple of months meant that global stock markets ended 2023 firmly higher, and began 2024 in much the same vein, with the first quarter seeing sizeable gains in US and continental European equities. Although April proved a more challenging month for investors than those preceding it, the decline in global equities should be viewed in the context of the strong gains posted since October’s lows.

The general persistence of the rally in the final six months of this year is all the more pleasing given that, in recent months, there has been a significant paring back of market expectations for interest rate cuts this year. Indeed, ongoing inflation concerns, a resilient



global economy and the resetting of interest rate cut expectations have been a tough headwind for fixed interest investors in 2024, leading to losses year-to-date and reversing some of the gains prompted by Q4's more 'dovish' shift among rate setters. Elsewhere, US stocks have led the way over the period, driven by a solid labour market, high economic growth, and a handful of large tech companies at the forefront of Artificial Intelligence ('AI'). The performance of Alphabet (formerly Google), Amazon, Apple, Meta (formerly Facebook), Microsoft, NVIDIA and Tesla have underpinned not only US returns, but also global indices due to their large weighting. US stocks ended 2023 20% higher in sterling terms, with these so-called 'Magnificent Seven' tech companies responsible for roughly half of these gains, leaving 72% of stocks underperforming the headline market return over the calendar year. 2024 has thus far seen a more divergent period of performance for these companies, although their size, scope, and dominant market position, along with their existing operations, means they remain extremely well placed. These businesses also remain remarkably nimble, and can implement change rapidly, as seen with the swift cost cutting measures undertaken by Meta in the latter stages of 2022.

While the large weighting to commodity and financials companies within the index was a key factor for the UK's outperformance of other regions in April, there has also recently been a growing trend of corporate activity in listed UK companies, prompted by the relatively inexpensive nature of the UK stock market and the discount on which many quality companies are trading versus their peers. This certainly prompts mixed feelings. While it can create opportunity for active managers and the possibility for sharp (and short-term) uplifts on the value of holdings, in the absence of a healthy initial public offering ('IPO') market it results in a diminishing opportunity set available to investors in the UK stock market. The loss of attractive long-term investment opportunities therefore further reduces the appeal of the index. In addition to outright bids, several companies have also decided to move their listing overseas, or announce that a move is under consideration, including some significant index heavyweights. As such, the dwindling nature of the UK stock market is an area very much in the spotlight, with a clear call to ensure the UK remains an attractive environment for companies to come to market.

While the UK slid into a shallow technical recession in the second half of last year, the economy managed to eke out 0.1% Gross Domestic Product ('GDP') growth for 2023. The eurozone similarly struggled to grow, registering 0.5% 2023 GDP growth, but given the bleak projections due to sharply higher interest rates the fact economies are not significantly contracting can be viewed as a positive development. This has been a blessing for central bankers. Having found themselves stuck between a rock and a hard place a couple of years ago – with surging inflation and the spectre of deep recessions brought on by their sharply higher interest rates – rate setters are now in a much more comfortable position. Economies avoiding sharp contractions without the need for monetary support has allowed central bankers to bide their time, letting the current, restrictive interest rate levels continue to apply downward pressure on inflation. Should economic activity deteriorate substantially, central bankers are now poised in a position where they can act swiftly, having kept their powder dry thus far. As a reminder, the Federal Reserve ('FED') has now been on hold with a funds rate of 5.25%-5.50% since June while the Bank of England ('BoE') has maintained its base rate of 5.25% since August, a 22-year high and a 16-year high respectively.

Investment Review

During the one-year period to 30 April 2024, the A Income Class returned 12.62%* in GBP terms, outperforming its comparator benchmark, the MSCI United Kingdom Index (net), which returned 7.62%~ in GBP terms.

From an attribution perspective, the Sub-fund's Information Technology exposure was one of the principal contributors to performance over the period, with the holding in Darktrace subject to a recent cash offer by private equity firm Thoma Bravo. The UK-based cybersecurity company, which we have owned since October 2022, specialises in products that use Artificial Intelligence to detect, respond and repair corporates' IT infrastructure during cyber security attacks. As mentioned above, we see this bid as indicative of the fact that quality UK-listed companies remain largely undervalued and unloved.

Other positive contributors to relative performance included the Sub-fund's positions in Melrose Industries and RELX. We saw the share price weakness early in the period as an attractive point at which to add to the latter, which proved well timed. As a reminder, RELX is a global provider of information-based analytics and decision tools for professional and business customers. The company has enjoyed a solid start to 2024, with its shift to a more digitally focused offering having strengthened its value proposition and positioned it to take advantage of generative AI developments, which we believe to be a benefit to their business model, rather than a threat.

Focusing on the Sub-fund's allocation to Financials (a sector where we made several changes to the composition of the allocation), we saw pleasing outperformance from the holding in specialist asset manager Intermediate Capital following a series of strong updates. Stock selection across the Energy and Materials sectors also proved positive, while an underweight allocation to the struggling Consumer Staples sector proved supportive to relative returns.

In contrast, several stock selection decisions across varying sectors detracted from the Sub-fund's headline outperformance. Holdings such as National Grid (since exited), BT and Prudential all struggled over the period. BT experienced execution headwinds as they ramped up spending, investing in their fibre rollout. Meanwhile, Prudential was particularly impacted by developments in China, where renewed concerns arose regarding the condition of the property market, further exacerbating the negative sentiment surrounding the country.



Throughout the period we employed an active approach to positioning the Sub-fund. As the economic outlook and prevailing market trends shifted throughout, we were dynamic in our choice of sectors and securities, balancing risk and looking for long-term prospects that usually arise during instances of market fluctuation. For instance, in July we sold the residual holding in housebuilder Taylor Wimpey and further increased the position in RELX. This move, coupled with other adjustments made earlier in the period, helped to increase the defensiveness of the Sub-fund at a time of economic uncertainty.

Within the Utilities sector, we sold National Grid and initiated a holding SSE as our preferred position. SSE is one of the largest vertically integrated energy groups in the UK and manages one of the biggest electricity distribution networks, while also possessing a growing presence in renewables. The Group has a particular focus on onshore and offshore wind. Its faster expected network growth, stronger renewables portfolio and more robust balance sheet were the key catalysts for the move, with the valuation also at an appealing level.

Elsewhere, we initiated a new position in defence company BAE Systems, where we expect higher global defence budgets across the US, Europe, and Asia, as many countries prepare for new geopolitical realities and seek to reverse the under-investment in defence since the 1990's. This trade was funded by a reduction in the holding in Ashtead following notable share price strength, with the position then added to again later in the period at lower levels. Ashtead is a quality business, one focused on the renting of equipment to industrial and commercial customers, with a product range including earthmoving equipment, aerial work platforms and high reach forklifts.

In the second half of the period, we added to our existing position in London Stock Exchange ('LSEG'), the leading financial markets infrastructure and data provider. The company demonstrates high recurring revenues, operating margins, and strong cash flows. Furthermore, LSEG's shares continue to trade at a discount to market infrastructure peers, despite having a similarly attractive growth trajectory. We also increased the Sub-fund's exposure to UK mid and smaller-sized businesses (an area where we have been underweight for some time) through the Vanguard FTSE 250 UCITS ETF and, later in the period, by adding a position in Janus Henderson UK Smaller Companies. This strategy has benefited from a stable, consistent, and historically successful investment process, providing exposure to 90-100 of the smallest 10% of companies in the UK market, with the manager looking to invest in good quality companies that offer strong growth prospects. Given the unloved nature of this segment of the UK stock market, we deemed this an opportune time to add to exposure for long-term investors.

In the final months of the period, we made adjustments to the UK Consumer Staples holdings, trimmed the position in mining giant Rio Tinto and added to Compass, the global leader in contract food and management services. We see Compass as well positioned to capitalise from an increasing trend towards the outsourcing of catering services, one driven by growing operational complexities, inflation challenges and more stringent health and safety protocols. We also adjusted the Sub-fund's exposure to UK banks by reintroducing a position in Barclays and exiting the holding in NatWest. The decision was ultimately based upon a change in preference: Barclays' lower valuation and recent announcement of ambitious financial targets ultimately leave us seeing greater upside in the stock.

Outlook

As mentioned, economic data continues to paint a mixed picture, which has left central bankers more reluctant to loosen monetary policy than was widely assumed at the start of 2024. Although inflation is back at far more palatable levels in year-on-year terms, rate setters remain concerned that the fight is not over and that a significant reduction in interest rates could cause another push higher in price pressures.

Against this backdrop, we remain constructive in our outlook for investors. The first half of 2024 has been pleasing, but it has certainly not been an indiscriminate 'everything rally' fuelled by the unbridled optimism that we saw at the end of 2023. This has been a rewarding time for stock markets, particularly large technology companies exposed to the generative AI theme, and there are some pockets of the market that are undoubtedly pricing in significant growth expectations, necessitating the need to tread carefully. However, across certain sectors and asset classes it has been a fairly underwhelming and, in some cases, negative period of returns. We believe the backdrop is likely to become increasingly supportive for active managers, with individual stock opportunities continuing to emerge.

*Source: Financial Express, 10 June 2024. All figures to 30 April 2024.

~Source: Data provided by FactSet.

MI Quilter Cheviot UK Equity Fund

Fund Information

Non-UCITS retail scheme Key Investor Information

This document provides you with key investor information about this fund. It is not marketing material. The information is required by law to help you understand the nature and the risks of investing in this fund. You are advised to read it so you can make an informed decision about whether to invest.



MI Quilter Cheviot UK Equity Fund (“the Fund”) A Income Shares

This is a sub fund of MI Quilter Cheviot Investment Funds. The Fund is a non-UCITS retail scheme Open Ended Investment Company. ISIN: GB00BMT7QK77. Apex Fundrock Ltd is the Authorised Corporate Director of the Fund (“MI” and “MI Funds” are trading names of the ACD).

Objectives and investment policy

The Fund aims to deliver capital growth and income on a rolling five-year basis, by investing in the shares of UK companies.

The Fund will invest at least 90% directly into UK company shares or indirectly through other investment funds (which may include those that are managed or operated by the ACD or an associate of the ACD) which themselves invest in the shares of UK companies.

The Fund will typically invest at least 80% of the portfolio directly but at times, dependent on market conditions and the Investment Manager’s view of the market, the direct exposure may be higher or lower than 80% but is never expected to fall below 60%.

Not more than 20% of the Fund will be in shares of smaller companies.

The Fund may also hold other assets, including cash.

The Fund may only make use of derivatives, which are sophisticated instruments whose value is linked to the rise and fall of other assets, for the purposes of hedging and efficient portfolio management, with the aim of managing risk and cost.

The Fund is actively managed. This means the Investment Manager uses their expertise to pick investments to achieve the Fund’s objective.

Any income this share class generates will be paid out to you.

You can buy and sell shares on any business day in London.

Recommendation: this Fund may not be appropriate for investors who plan to withdraw their money within 5 years.

For full investment objectives and policy details please refer to the Prospectus.

Risk and reward profile

The Risk and Reward Indicator table demonstrates where the Fund ranks in terms of its potential risk and reward. The higher the rank the greater the potential reward but the greater the risk of losing money. It is based on past data, may change over time and may not be a reliable indication of the future risk profile of the Fund. The shaded area in the table below shows the Fund’s ranking on the Risk and Reward Indicator.



- This Fund is ranked at 6 because funds of this type have experienced high rises and falls in value in the past. Please note that even the lowest risk class can lose you money and that extreme market circumstances can mean you suffer severe losses in all cases. The indicator does not take into account the following risks of investing in this Fund:
- Investing in other funds may expose investors to increased risk due to less strict regulations and the use of derivatives. These other funds can themselves invest into assets such as bonds, company shares, cash and currencies. The objectives and risk profiles of these underlying funds may not be fully in line with those of this Fund.
- In difficult market conditions, the value of some investments may be less predictable than normal and the Fund may not be able to buy and sell these investments at the best time or at a fair price. This could affect the Fund’s performance, potentially reducing your returns.
- For further risk information please see the Prospectus.

MI Quilter Cheviot UK Equity Fund

Fund Information



Charges

The charges you pay are used to pay the costs of running the Fund, including the costs of marketing and distributing it. These charges reduce the potential growth of your investment.

One-off charges taken before or after you invest	
Entry charge	0.00%
Exit charge	0.00%

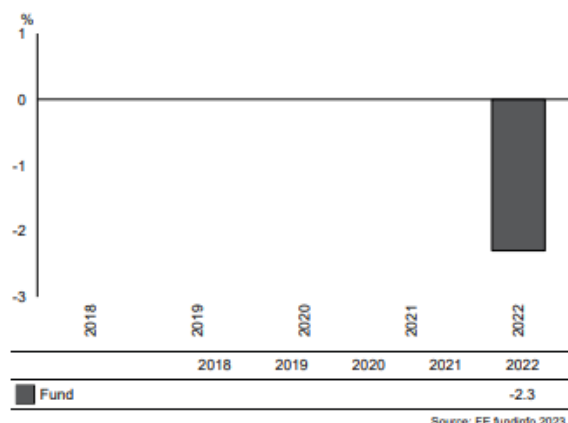
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Charges taken from the Fund over a year	
Ongoing charges	0.12%

Charges taken from the Fund under specific conditions	
Performance fee	NONE

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- Fund launch date: 30/09/2021.
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- The Depositary of the Fund is Northern Trust Investor Services Limited.
- Please note that the tax laws of the United Kingdom may impact your own tax position.