MI Quilter Cheviot Investment Funds

Interim Report 31 October 2024

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Authorised Corporate Director ('ACD') & Registrar

Apex Fundrock Limited
Hamilton Centre, Rodney Way, Chelmsford, Essex CM1 3BY
Telephone: 01245 398950
Website: www.fundrock.com
(Authorised and regulated by the Financial Conduct Authority)

Customer Service Centre

Hamilton Centre, Rodney Way, Chelmsford, Essex CM1 3BY
Telephone: 0345 521 1006
Fax: 0845 299 1095
E-mail: QuilterCheviot@apexgroup.com

Directors of the Authorised Corporate Director

A.C. Deptford
P.J. Foley-Brickley
S.J. Gunson (appointed 24 May 2024)
C. O'Keeffe (retired 6 May 2024)
E. Personne (Non-Executive Director appointed 25 September 2024)
D. Phillips (Non-Executive Director)
L.A. Poynter (appointed 18 June 2024)
J. Thompson (Non-Executive Director)

Investment Manager

Quilter Cheviot Limited
Senator House, 85 Queen Victoria Street, London EC4V 4AB
(Authorised and regulated by the Financial Conduct Authority)

Depositary

Northern Trust Investor Services Limited ('NTISL')
50 Bank Street, Canary Wharf, London E14 5NT
(Authorised and regulated by the Financial Conduct Authority)

Independent Auditor

Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
30 Finsbury Square, London EC2A 1AG

Basis of Accounting

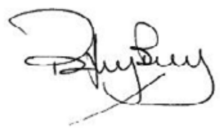
The interim financial statements have been prepared under the historical cost basis, as modified by the revaluation of investments and in accordance with FRS 102 and the Statement of Recommended Practice ('SORP') for Financial Statements of UK Authorised Funds issued by the Investment Association ('IA') in May 2014 and amended in June 2017.

The interim financial statements have been prepared on the same basis as the audited financial statements for the year ended 30 April 2024.

The financial statements have been prepared on the going concern basis.

Certification of the Interim Report by the Authorised Corporate Director

This report has been prepared in accordance with the requirements of the Financial Conduct Authority's Collective Investment Schemes Sourcebook ('the COLL Sourcebook') and the Statement of Recommended Practice for Financial Statements of UK Authorised Funds issued by the IA.



P.J. Foley-Brickley
S.J. Gunson
L.A. Poynter
Directors
Apex Fundrock Limited
30 December 2024

Apex Fundrock Limited operates as ACD and AIFM for the purpose of the AIFM directive 22 July 2013.

Investment Objective and Policy

for the period ended 31 October 2024

Investment Objective

The Sub-fund aims to achieve capital growth and income, net of charges, on a rolling five-year basis.

Investment Policy

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

The Sub-fund's exposure to alternative asset classes will typically be 70% but may be lower in times of market volatility (when exposure to mainstream asset classes such as equities, government bonds, investment grade and/or sub-investment grade corporate bonds, cash, near cash, money market instruments and permitted deposits may be increased). However, the Sub-fund's exposure to alternative asset classes will never fall below 50%. Investments may include: property; commodities (such as gold and precious metals); private equity; infrastructure; currency; derivatives; absolute return strategy funds and multi-asset strategy funds. The exposure to property and commodities will vary and may at times be significant. The remainder of the Sub-fund will be composed of mainstream asset classes which may include equities, government bonds, investment grade and/or sub-investment grade corporate bonds, cash, near cash, money market instruments and permitted deposits.

The Sub-fund may invest directly or indirectly in order to gain exposure to a diversified portfolio of asset classes. The Sub-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, but it is not expected to ever fall below 80%.

The Investment Manager will use indirect investment methods which may include collective investment schemes (which may include those that are managed or operated by the ACD or an associate of the ACD), Investment Trusts and Real Estate Investment Trusts to gain exposure to alternative assets classes with the purpose of ensuring that the liquidity profile of the Sub-fund is appropriate for a retail fund that offers daily dealing to investors.

The Sub-fund may use derivative instruments for the purpose of Efficient Portfolio Management or investment purposes. The use of derivatives for this purpose may affect the risk profile of the Sub-fund although this is not the ACD's intention.

Investment Manager's Report

for the period ended 31 October 2024

Market Commentary

Central bank activity dominated market sentiment during the latter part of the period, overshadowing an eventful political backdrop that included a resounding Labour victory, a late change in the Democratic Presidential nominee and the disturbing assassination attempts on former President and Republican nominee Donald Trump. The Bank of England ('BoE') and Federal Reserve ('Fed') both announced their first-interest rate cuts in over four years, with the Fed lowering the target rate by 50 basis points at its September meeting, following the decision not to cut in July. Markets reacted positively, hitting new highs despite bouts of turbulence during the period, most notably in early August following weaker US jobs data. However, positive company earnings and the subsequent Fed action steadied the ship, cementing a strong period for global equity markets.

Economies continuing to fare relatively well has allowed rate-setters to keep interest rates firmly in restrictive territory for longer than many expected, providing ongoing downward pressure on inflation. While central bank heads are reticent to declare the battle against inflation won, there is a growing acceptance in their public remarks that concerns in this regard have been substantially alleviated and the focus has shifted more to an apparent aim to not stifle economic growth.

The BoE lowered rates in August, announcing a 25 basis point reduction to bring the base rate to 5.0%. The news came the day after the Bank of Japan delivered a hawkish hike and the Fed held its benchmark rate at a 23-year high and the day before a weak US jobs report sparked some consternation that central banks had once more fallen behind the curve and holding rates too high for too long would tip economies into recession.

Technical factors, such as the unwinding of carry trades — based on borrowing in Japan at near-zero interest rates to invest in higher-yielding assets, such as US tech stocks and emerging market currencies — appear to have exacerbated the declines, as the Japanese interest rate increase triggered a sharp yen appreciation and a rush for the exit.

Heading into the Fed's September meeting there was a widespread expectation that rates would be lowered, although the size of the move was far from certain. Ultimately, the Fed decided to go with a larger 50 basis point cut lowering the federal funds rate to 4.75%-5.00%, perhaps compensating for their lack of policy easing in the previous month.

Investment Manager's Report

continued

The third quarter of 2024 saw a reversal of several trends from earlier in the year, with small-cap companies outperforming larger technology stocks and more lowly-valued segments of the market – such as utilities and property – gaining ground. Bonds also saw pleasing returns after a tough first half of the year, driven principally by rate cut expectations. However, October saw a reversal of this positive market sentiment, particularly across fixed interest markets, with investors assessing the potential implications of the US election. Closer to home, the UK Budget also marked a significant change in the UK's fiscal position, with plans to increase government spending by approximately £70bn per year, funded by an additional £40bn from taxes and the balance from additional borrowing. Although markets were forewarned of many of the most important tax changes, there was a notable reaction in bonds, with yields pushing higher.

Investment Review

During the six-month period to 31 October 2024, the A Income Class returned 3.57%* in GBP terms, outperforming its comparator benchmark, the HFRX Global Hedge Fund Index which returned 2.18%~ in GBP terms.

From an attribution perspective, positive returns were generated by the Sub-fund's Global Equity component, specifically the HSBC MSCI World UCITS ETF. This performance was predominantly driven by the growth of US equities.In addition, gains were seen from the Sub-fund's property investments, where sentiment has improved of late from a low base, while the commencement of the rate cutting environment has provided further support. Returns from PRS REIT and CT Property Growth & Income were particularly pleasing over the period. We see value in the asset class, and an increasingly positive outlook.

As is the nature with alternative strategies, divergence in performance was seen across the Sub-fund's Private Equity, absolute return and multi-asset strategy funds allocations. Pleasing gains were seen from the exposure to PIMCO Dynamic Multi Asset as well as from the Private equity allocation to HgCapital Trust.

In contrast, a marked negative contributor to the Sub-fund's performance during the period was the holding in Aspect Diversified Trends, which suffered amid the abrupt reversal in market sentiment during August and October.

Over the period we made several changes to the Sub-fund, including exiting the holding in PIMCO Dynamic Multi-Asset in favour of BNY Mellon Real Return. This followed the announcement of forthcoming changes to the former's strategy, and a broadening out of the latter's range of asset classes used across the fund. We also added Care REIT (formerly known as Impact Healthcare REIT), a property company owning but not operating care homes across the UK. With long leases and rent increases tied to inflation, Care REIT is well-placed to benefit from the high and growing demand for elderly care. The UK's stagnant supply of care home beds, combined with its ageing population, supports this investment, while the stock also offers an attractive valuation and yield. With recent data also indicating rising net asset values for property firms, we view this as an opportune moment to invest in the company.

Elsewhere within the Sub-fund, we broadened our exposure to holdings seeking to generate positive returns with a lower correlation to broader equity markets. The Neuberger Berman Event Driven fund aims to deliver returns through exposure to US equities, albeit in a relatively market neutral format. In keeping with this objective, it seeks to take advantage of mispricing that can occur as a result of corporate change (e.g. management changes or corporate reorganisations) and within environments of high corporate activity.

Outlook

Donald Trump's historic victory has dominated investor sentiment in the immediate aftermath of the period, with his win marking only the second time the US has elected a president to non-consecutive terms. In the end, the result was decisive, with the Republican party completing the so-called 'trifecta' by sweeping both chambers of Congress and ensuring, at least on paper, limited opposition to policy plans over the next few years.

The initial market reaction has been quite clear, with US stocks up sharply, a rally in the US dollar, and an increase in US Treasury yields. Markets anticipate sizeable fiscal loosening, with the Trump administration expected to boost demand via a combination of tax cuts and government spending, while the imposition of more stringent tariffs would restrict the supply side of the economy. Together, these policies are seen as increasing inflation and government borrowing, suggesting higher interest rates next year than were previously expected. However, fluctuating assessments of the impact the new administration will have on the global economic and geopolitical landscape – which pledges can be placed firmly in the campaign rhetoric category, and which will translate into highly influential policy – will doubtless lead to some market volatility into, and beyond, January's Inauguration Day.

While initial conclusions have been positive for US equities, much depends on whether the benefits of tax reductions and a lightening of companies' regulatory loads are overwhelmed by the negatives of a tariff-induced trade war, or the possibility of renewed inflationary pressures. Although we remain cognisant of these headline influences, we continue to see a reasonable backdrop for continued earnings growth, and attractive thematic and individual opportunities in which to invest.

Investment Manager's Report
continued

Fixed income – and specifically developed government bonds – has once again proved to be a more challenging area for investors this year. From a UK perspective, the recent Budget and US election could have offsetting impacts. The higher borrowing announced in the Budget, and potentially stickier-than-expected inflation, would suggest the Bank of England may need to pursue a slower path of rate cuts. However, the imposition of sizeable US tariffs and the adverse impact that would have on UK growth suggests a potentially faster rate cutting trajectory. We continue to see the attractions of sovereign debt: investors are receiving a relatively attractive return for owning developed government bonds, while offering protection against both the prospect of a sharp recessionary environment or an unforeseen flare up in global tensions.

To summarise, we see active management playing an increasingly important role in 2025, and remain confident in our ability to navigate the challenges – and identify the opportunities – that will undoubtedly emerge throughout the year.

*Source: Financial Express December 2024. All figures to 31 October 2024

~Source: Data provided by FactSet

MI Quilter Cheviot Alternative Assets Fund

Portfolio Statement

as at 31 October 2024

Holding	Security	Market value £	% of total net assets 2024
	Financial 92.25% (96.10%)		
	Closed-End Investments 17.57% (20.70%)		
1,061,032	3i	3,395,302	1.82
810,226	BH Macro	3,143,677	1.68
1,924,577	Chrysalis Investments	1,641,664	0.88
292,770	HarbourVest Global Private Equity	6,528,771	3.50
1,455,653	HgCapital Trust	7,423,830	3.98
2,983,950	International Public Partnerships	3,813,488	2.04
3,606,845	Renewables Infrastructure	3,487,819	1.87
4,434,660	Sequoia Economic Infrastructure Income	3,357,038	1.80
		32,791,589	17.57
	Open-End and Miscellaneous Investment Vehicles 74.68% (75.40%)		
3,349,763	abrdn UK Real Estate Share - I Accumulation*	7,862,229	4.21
7,673,660	ARC TIME Property Long Income & Growth PAIF - Z Net Income*	6,230,244	3.34
41,871	Aspect Diversified Trends - P GBP Institutional*	7,154,498	3.83
60,932	BlackRock ICS Sterling Liquidity Premier - Accumulation*	7,096,962	3.80
5,816,051	BNY Mellon Real Return - GBP Distribution	6,520,375	3.49
1,360,012	CT Property Growth & Income - Q Income*	12,869,520	6.90
151,638	Fidante Partners Liquid Strategies ICAV - Ardea Global Alpha - X GBP Hedged Income*	14,536,051	7.79
473,617	HSBC MSCI World UCITS ETF - USD Distributing	13,493,349	7.23
12,877	iShares £ Corp Bond 0-5yr UCITS ETF - GBP Distributing	1,289,889	0.69
1,312,047	iShares MSCI Target UK Real Estate UCITS ETF - GBP Distributing	5,089,430	2.73
52,484	iShares UK Gilts 0-5yr UCITS ETF - GBP Distributing	6,632,403	3.55
8,738,939	Janus Henderson Absolute Return - G Accumulation*	10,871,240	5.83
7,703,759	Legal & General UK Property - I Class Distribution*	4,199,319	2.25
64,230	MontLake UCITS Fund Platform ICAV - Mygale Event Driven UCITS*	7,347,220	3.94
595,135	Neuberger Berman Event Driven - I5 GBP Distribution	6,683,366	3.58
5,121,461	Royal London Short Term Money Market - Y Income*	5,103,480	2.73
27,758	SPDR® MSCI World UCITS ETF	834,129	0.45
51,687	Trium ESG Emissions Improvers - F GBP Accumulation*	6,596,812	3.53
6,042,921	Trojan - X Income - GBP Distributing*	8,034,063	4.30
9,653	Vanguard Global Short-Term Bond Index - Institutional Plus*	949,226	0.51
		139,393,805	74.68
	REAL ESTATE 4.11% (3.27%)		
	Real Estate Investment Trusts 4.11% (3.27%)		
8,827,072	Assura	3,550,248	1.90
2,250,000	Care REIT (formerly Impact Healthcare REIT)	1,953,000	1.05
2,052,140	PRS REIT	2,171,164	1.16
		7,674,412	4.11
	Investment assets	**179,859,806**	**96.36**
	Net other assets	**6,793,022**	**3.64**
	Net assets	**186,652,828**	**100.00**

All investments are ordinary shares or stock units on a regulated securities market unless otherwise stated. The percentages in brackets show the equivalent % holdings as at 30.04.24.

*Collective investment schemes permitted under COLL, not listed on any exchange.

Total purchases for the period: £41,482,517
Total sales for the period: £10,412,684

At the period end the Sub-fund did not hold shares in any of the other Sub-funds within the MI Quilter Cheviot Investment Funds.

Net Asset Value and Shares in Issue

Class	Net Asset Value	Shares in issue	Net Asset Value per share p	Operating Charges*
A Income	£120,619,362	128,496,889	93.87	0.57%
A Accumulation	£65,765,468	68,709,817	95.71	0.57%
B Income^	£88	87	100.95	0.71%
B Accumulation	£267,910	258,612	103.60	0.77%

^B Income reinvested 11 October 2024

*Operating charges include indirect costs incurred in the maintenance and running of the Sub-fund, as disclosed (but not limited to) the detailed expenses within the Statement of Total Return. Included within this figure are the charges of the underlying Funds (synthetic ongoing charge). The figures used within this table have been calculated against the average Net Asset Value for the accounting period.

On 01 September 2024 following a review of fees the Investment Manager is now charging 0.2% on the B Income and B Accumulation share classes.

Risk and Reward Profile

The Risk and Reward Indicator table demonstrates where the Sub-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 Sub-fund. The shaded area in the table below shows the Sub-fund's ranking on the Risk and Reward Indicator.

Typically lower rewards, lower risk ← → **Typically higher rewards, higher risk**

1	2	3	4	5	6	7

The Sub-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 Sub-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 Sub-fund.
- The Sub-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 Sub-fund may not be able to buy and sell these investments at the best time or at a fair price. This could affect the Sub-fund's performance, potentially reducing your returns.
- The Sub-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 Sub-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.

Risk warning

An investment in a non-UCITS Retail Scheme Open-Ended Investment Company should be regarded as a medium to long-term investment. Investors should be aware that the price of shares and the revenue from them can fall as well as rise and investors may not receive back the full amount invested. Past performance is not a guide to future performance. Investments denominated in currencies other than the base currency are subject to fluctuation in exchange rates, which can be favourable or unfavourable.

Statement of Total Return

for the period ended 31 October 2024

	31.10.24		31.10.23	
	£	£	£	£
Income				
Net capital gains/(losses)		2,243,257		(739,952)
Revenue	2,217,485		1,147,508	
Expenses	(91,364)		(80,935)	
Net revenue before taxation	2,126,121		1,066,573	
Taxation	(219,517)		(166,940)	
Net revenue after taxation		1,906,604		899,633
Total return before distributions		**4,149,861**		**159,681**
Distributions		(1,906,599)		(899,617)
Change in net assets attributable to Shareholders from investment activities		**2,243,262**		**(739,936)**

Statement of Change in Net Assets Attributable to Shareholders

for the period ended 31 October 2024

	31.10.24		31.10.23	
	£	£	£	£
Opening net assets attributable to Shareholders		**147,787,074**		**118,286,106**
Amounts receivable on issue of shares	51,252,334		20,846,416	
Less: Amounts payable on cancellation of shares	(15,354,086)		(17,437,925)	
		35,898,248		3,408,491
Change in net assets attributable to Shareholders from investment activities (see Statement of Total Return above)		2,243,262		(739,936)
Retained distributions on accumulation shares		724,244		303,207
Closing net assets attributable to Shareholders		**186,652,828**		**121,257,868**

The opening net assets attributable to Shareholders for the current period do not equal the closing net assets attributable to Shareholders for the comparative period as they are not consecutive periods.

Balance Sheet

as at 31 October 2024

	31.10.24		30.04.24	
	£	£	£	£
ASSETS				
Fixed assets				
Investments		**179,859,806**		**146,850,767**
Current assets				
Debtors	7,697,716		1,626,527	
Cash and bank balances	6,077,008		3,005,318	
Total current assets		**13,774,724**		**4,631,845**
Total assets		**193,634,530**		**151,482,612**
LIABILITIES				
Creditors				
Distribution payable	(279,609)		(748,300)	
Other creditors	(6,702,093)		(2,947,238)	
Total creditors		**(6,981,702)**		**(3,695,538)**
Total liabilities		**(6,981,702)**		**(3,695,538)**
Net assets attributable to Shareholders		**186,652,828**		**147,787,074**

Distribution Tables

for the period ended 31 October 2024

Income Share Distributions

Share class	Distribution	Shares	Net revenue p	Equalisation p	Distribution paid/payable 2024 p	Distribution paid 2023 p
A	First interim	Group 1	0.9069	–	0.9069	0.4633
		Group 2	0.5312	0.3757	0.9069	0.4633
	Second interim	Group 1	0.2176	–	0.2176	0.1845
		Group 2	–	0.2176	0.2176	0.1845
B*	First interim	Group 1	n/a	n/a	n/a	0.2604
		Group 2	n/a	n/a	n/a	0.2604
	Second interim	Group 1	–	–	–	n/a
		Group 2	–	–	–	n/a

Accumulation Share Distributions

Share class	Distribution	Shares	Net revenue p	Equalisation p	Amount reinvested 2024 p	Amount reinvested 2023 p
A	First interim	Group 1	0.9138	–	0.9138	0.4579
		Group 2	0.6144	0.2994	0.9138	0.4579
	Second interim	Group 1	0.2185	–	0.2185	0.1833
		Group 2	–	0.2185	0.2185	0.1833
B**	First interim	Group 1	1.0170	–	1.0170	n/a
		Group 2	0.4890	0.5280	1.0170	n/a
	Second interim	Group 1	0.5356	–	0.5356	n/a
		Group 2	0.2537	0.2819	0.5356	n/a

*Launched 9 May 2023, dis-invested on 18 September 2023 and reinvested 11 October 2024.
**Launched on 17 April 2024.

First interim period: 01.05.24 - 31.07.24
Second interim period: 01.08.24 - 31.10.24

Group 1: Shares purchased prior to a distribution period
Group 2: Shares purchased during a distribution period

Equalisation

Equalisation applies only to shares purchased during the distribution period (Group 2 shares). It represents accrued revenue included in the purchase price of the shares. After averaging, it is returned with the distribution as a capital repayment. It is not liable to income tax but must be deducted from the cost of the shares for capital gains tax purposes.

Investment Objective and Policy

for the period ended 31 October 2024

Investment Objective

The Sub-fund aims to achieve capital growth and income, net of charges, on a rolling five-year basis.

Investment Policy

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

The Sub-fund will invest at least 90% in a diversified portfolio of equities in: developed markets in the Asia-Pacific region; and, global emerging markets. The Sub-fund will invest at least 80% of the portfolio indirectly.

The Investment Manager has the ability to increase or decrease exposure to any of the regions on a tactical basis without limits. This may mean that from time to time, the Sub-fund will focus significantly on particular investment markets or opportunities across the Asia Pacific region or global emerging markets as it expects them to perform well.

The Sub-fund may additionally invest in other equities, cash, near cash, money market instruments and permitted deposits.

The Sub-fund's indirect investments will include collective investment schemes (which may include those that are managed or operated by the ACD or an associate of the ACD).

The Sub-fund may use derivative instruments for the purpose of Efficient Portfolio Management. The use of derivatives for this purpose may affect the risk profile of the Sub-fund although this is not the ACD's intention. The Sub-fund may use derivative instruments for investment purposes on the giving of 60 days' notice to Shareholders.

Investment Manager's Report

for the period ended 31 October 2024

Market Commentary

Central bank activity dominated market sentiment during the latter part of the period, overshadowing an eventful political backdrop that included a resounding Labour victory, a late change in the Democratic Presidential nominee and the disturbing assassination attempts on former President and Republican nominee Donald Trump. The Bank of England ('BoE') and Federal Reserve ('Fed') both announced their first-interest rate cuts in over four years, with the Fed lowering the target rate by 50 basis points at its September meeting, following the decision not to cut in July. Markets reacted positively, hitting new highs despite bouts of turbulence during the period, most notably in early August following weaker US jobs data. However, positive company earnings and the subsequent Fed action steadied the ship, cementing a strong period for global equity markets.

Economies continuing to fare relatively well has allowed rate-setters to keep interest rates firmly in restrictive territory for longer than many expected, providing ongoing downward pressure on inflation. While central bank heads are reticent to declare the battle against inflation won, there is a growing acceptance in their public remarks that concerns in this regard have been substantially alleviated and the focus has shifted more to an apparent aim to not stifle economic growth.

The BoE lowered rates in August, announcing a 25 basis point reduction to bring the base rate to 5.0%. The news came the day after the Bank of Japan delivered a hawkish hike and the Fed held its benchmark rate at a 23-year high and the day before a weak US jobs report sparked some consternation that central banks had once more fallen behind the curve and holding rates too high for too long would tip economies into recession.

Technical factors, such as the unwinding of carry trades — based on borrowing in Japan at near-zero interest rates to invest in higher-yielding assets, such as US tech stocks and emerging market currencies — appear to have exacerbated the declines, as the Japanese interest rate increase triggered a sharp yen appreciation and a rush for the exit.

Heading into the Fed's September meeting there was a widespread expectation that rates would be lowered, although the size of the move was far from certain. Ultimately, the Fed decided to go with a larger 50 basis point cut lowering the federal funds rate to 4.75%-5.00%, perhaps compensating for their lack of policy easing in the previous month.

The third quarter of 2024 saw a reversal of several trends from earlier in the year, with small-cap companies outperforming larger technology stocks and more lowly-valued segments of the market – such as utilities and property – gaining ground. Bonds also saw pleasing returns after a tough first half of the year, driven principally by rate cut expectations. However, October saw a reversal of this positive market sentiment, particularly across fixed interest markets, with investors assessing the potential implications of the US

Investment Manager's Report

continued

election. Closer to home, the UK budget also marked a significant change in the UK's fiscal position, with plans to increase government spending by approximately £70bn per year, funded by an additional £40bn from taxes and the balance from additional borrowing. Although markets were forewarned of many of the most important tax changes, there was a notable reaction in bonds, with yields pushing higher.

Investment Review

During the six-month period to 31 October 2024, the A Income Class returned 2.11%* in GBP terms, underperforming its comparator benchmark, the MSCI AC Asia Pacific Index which returned 5.39%~ in GBP terms.

The Sub-fund's allocation to emerging markets equities drove the majority of the positive return, benefitting from the rally seen late in Q3 following the announcement of a major stimulus package by Chinese authorities, with further indications of upcoming fiscal policy changes. These developments had a positive effect on holdings such as Pacific North of South Emerging Markets All Cap Equity and Sands Capital Emerging Markets Growth. However, the aggregate return from these holdings did not outperform the broader benchmark, unlike Veritas Asian and iShares MSCI Pacific ex Japan ETF, which are held in smaller proportions.

On the other hand, the Sub-fund's Japanese equity investments, most notably M&G Japan, negatively impacted returns. The market experienced significant declines due to the unwinding of the carry trade in August, alongside political uncertainty. However, it was encouraging to see the management team at M&G Japan capitalising on this volatility by adding four new positions, thereby reinforcing our confidence in their proactive stock-picking approach.

Over the period, we broadened our Japanese manager exposure by initiating a position in Comgest Growth Japan, with the existing holding in Baillie Gifford Japanese Income Growth trimmed in the process. The Comgest team aims to find top-quality, often leading companies in Japan and globally. Based mainly in Tokyo, they focus on themes like digitisation, ageing populations, and automation. Their philosophy acknowledges that markets may undervalue firms with sustainable competitive advantages and steady earnings growth, which eventually reflect in share price gains. With an excellent track record and unchanged process, but with an extremely challenging past three years of performance under its belt, we saw the holding as highly attractive on a number of valuation metrics, and an appealing investment opportunity.

Outlook

Donald Trump's historic victory has dominated investor sentiment in the immediate aftermath of the period, with his win marking only the second time the US has elected a president to non-consecutive terms. In the end, the result was decisive, with the Republican party completing the so-called 'trifecta' by sweeping both chambers of Congress and ensuring, at least on paper, limited opposition to policy plans over the next few years.

The initial market reaction has been quite clear, with US stocks up sharply, a rally in the US dollar, and an increase in US Treasury yields. Markets anticipate sizeable fiscal loosening, with the Trump administration expected to boost demand via a combination of tax cuts and government spending, while the imposition of more stringent tariffs would restrict the supply side of the economy. Together, these policies are seen as increasing inflation and government borrowing, suggesting higher interest rates next year than were previously expected. However, fluctuating assessments of the impact the new administration will have on the global economic and geopolitical landscape – which pledges can be placed firmly in the campaign rhetoric category, and which will translate into highly influential policy – will doubtless lead to some market volatility into, and beyond, January's Inauguration Day.

While initial conclusions have been positive for US equities, much depends on whether the benefits of tax reductions and a lightening of companies' regulatory loads are overwhelmed by the negatives of a tariff-induced trade war, or the possibility of renewed inflationary pressures. Although we remain cognisant of these headline influences, we continue to see a reasonable backdrop for continued earnings growth, and attractive thematic and individual opportunities in which to invest. We see active management playing an increasingly important role in 2025, and remain confident in our ability to navigate the challenges – and identify the opportunities – that will undoubtedly emerge throughout the year.

*Source: Financial Express December 2024. All figures to 31 October 2024

~Source: Data provided by FactSet

Portfolio Statement

as at 31 October 2024

Holding	Security	Market value £	% of total net assets 2024
	Open-End and Miscellaneous Investment Vehicles 98.00% (98.46%)		
14,645,203	Baillie Gifford Japanese Income Growth - W4 GBP Inc*	19,917,475	8.39
1,812,343	Comgest Growth Japan - GBP SU Accumulation*	13,773,810	5.80
14,735,028	Fidelity Asia Pacific Opportunities - R GBP Accumulation*	20,805,858	8.76
83,371	iShares Core MSCI EM IMI UCITS ETF - USD Accumulation	2,286,867	0.96
45,989	iShares Core MSCI Japan IMI UCITS ETF - USD Accumulation	1,928,319	0.81
15,052	iShares Core MSCI Pacific ex-Japan ETF - USD Accumulation GBP	2,183,744	0.92
24,608,157	JPMorgan Emerging Markets C - Net Income*	41,538,569	17.50
24,280,789	M&G Japan - Sterling PP Income*	33,621,609	14.16
3,179,124	Pacific North of South Emerging Markets All Cap Equity - R2 GBP Distributing*	41,551,154	17.50
884,756	Sands Capital Emerging Markets Growth - A Accumulation GBP*	17,562,411	7.40
23,787	Veritas Asian - D GBP*	19,787,797	8.33
182,209	Vontobel - mtx Sustainable Emerging Markets Leaders - AQG GBP*	17,734,402	7.47
		232,692,015	98.00
	Investment assets	**232,692,015**	**98.00**
	Net other assets	**4,740,038**	**2.00**
	Net assets	**237,432,053**	**100.00**

All investments are ordinary shares or stock units on a regulated securities market unless otherwise stated. The percentages in brackets show the equivalent % holdings as at 30.04.24.

*Collective investment schemes permitted under COLL, not listed on any exchange.

Total purchases for the period: £62,141,436
Total sales for the period: £10,751,591

At the period end the Sub-fund did not hold shares in any of the other Sub-funds within the MI Quilter Cheviot Investment Funds.

MI Quilter Cheviot Asian and Emerging Markets Equity Fund

Net Asset Value and Shares in Issue

Class	Net Asset Value	Shares in issue	Net Asset Value per share p	Operating Charges*
A Income	£166,595,649	180,749,822	92.17	0.72%
A Accumulation	£70,654,600	74,301,515	95.09	0.72%
B Income^	£87	88	99.18	0.87%
B Accumulation	£181,717	177,012	102.66	0.92%

^B Income reinvested 11 October 2024.

*Operating charges include indirect costs incurred in the maintenance and running of the Sub-fund, as disclosed (but not limited to) the detailed expenses within the Statement of Total Return. Included within this figure are the charges of the underlying Funds (synthetic ongoing charge). The figures used within this table have been calculated by annualising the expenses incurred against the average Net Asset Value for the accounting period.

On 01 September 2024 following a review of fees the Investment Manager is now charging 0.2% on the B Income and B Accumulation share classes.

Risk and Reward Profile

The Risk and Reward Indicator table demonstrates where the Sub-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 Sub-fund. The shaded area in the table below shows the Sub-fund's ranking on the Risk and Reward Indicator.

Typically lower rewards, lower risk ← → **Typically higher rewards, higher risk**

1	2	3	4	**5**	6	7

The Sub-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 Sub-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 Sub-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 Sub-fund may not be able to buy and sell these investments at the best time or at a fair price. This could affect the Sub-fund's performance, potentially reducing your returns.
- For further risk information please see the Prospectus.

Risk warning

An investment in a non-UCITS Retail Scheme Open-Ended Investment Company should be regarded as a medium to long-term investment. Investors should be aware that the price of shares and the revenue from them can fall as well as rise and investors may not receive back the full amount invested. Past performance is not a guide to future performance. Investments denominated in currencies other than the base currency are subject to fluctuation in exchange rates, which can be favourable or unfavourable.

Statement of Total Return

for the period ended 31 October 2024

	31.10.24		31.10.23	
	£	£	£	£
Income				
Net capital gains/(losses)		1,884,545		(3,538,610)
Revenue	1,905,257		1,320,791	
Expenses	(17,884)		(60,637)	
Net revenue before taxation	1,887,373		1,260,154	
Taxation	–		–	
Net revenue after taxation		1,887,373		1,260,154
Total return before distributions		**3,771,918**		**(2,278,456)**
Distributions		(1,887,140)		(1,260,129)
Change in net assets attributable to Shareholders from investment activities		**1,884,778**		**(3,538,585)**

Statement of Change in Net Assets Attributable to Shareholders

for the period ended 31 October 2024

	31.10.24		31.10.23	
	£	£	£	£
Opening net assets attributable to Shareholders		**182,353,531**		**108,435,658**
Amounts receivable on issue of shares	68,278,299		33,455,356	
Less: Amounts payable on cancellation of shares	(15,660,955)		(12,314,405)	
		52,617,344		21,140,951
Change in net assets attributable to Shareholders from investment activities (see Statement of Total Return above)		1,884,778		(3,538,585)
Retained distributions on accumulation shares		576,400		255,425
Closing net assets attributable to Shareholders		**237,432,053**		**126,293,449**

The opening net assets attributable to Shareholders for the current period do not equal the closing net assets attributable to Shareholders for the comparative period as they are not consecutive periods.

Balance Sheet

as at 31 October 2024

	31.10.24		30.04.24	
	£	£	£	£
ASSETS				
Fixed assets				
Investments		**232,692,015**		**179,553,752**
Current assets				
Debtors	2,298,555		2,001,260	
Cash and bank balances	4,357,747		2,565,977	
Total current assets		**6,656,302**		**4,567,237**
Total assets		**239,348,317**		**184,120,989**
LIABILITIES				
Creditors				
Distribution payable	(750,835)		(773,467)	
Other creditors	(1,165,429)		(993,991)	
Total creditors		**(1,916,264)**		**(1,767,458)**
Total liabilities		**(1,916,264)**		**(1,767,458)**
Net assets attributable to Shareholders		**237,432,053**		**182,353,531**

Distribution Tables

for the period ended 31 October 2024

Income Share Distributions

Share class	Distribution	Shares	Net revenue p	Equalisation p	Distribution paid/payable 2024 p	Distribution paid 2023 p
A	First interim	Group 1	0.4107	–	0.4107	0.5035
		Group 2	0.1412	0.2695	0.4107	0.5035
	Second interim	Group 1	0.4154	–	0.4154	0.4167
		Group 2	0.2811	0.1343	0.4154	0.4167
B*	First interim	Group 1	n/a	n/a	n/a	0.3538
		Group 2	n/a	n/a	n/a	0.3538
	Second interim	Group 1	–	–	–	n/a
		Group 2	–	–	–	n/a

Accumulation Share Distributions

Share class	Distribution	Shares	Net revenue p	Equalisation p	Amount reinvested 2024 p	Amount reinvested 2023 p
A	First interim	Group 1	0.4224	–	0.4224	0.5175
		Group 2	0.2588	0.1636	0.4224	0.5175
	Second interim	Group 1	0.4287	–	0.4287	0.4168
		Group 2	0.2874	0.1413	0.4287	0.4168
B**	First interim	Group 1	0.4690	–	0.4690	n/a
		Group 2	0.1933	0.2757	0.4690	n/a
	Second interim	Group 1	0.5179	–	0.5179	n/a
		Group 2^	0.5179	–	0.5179	n/a

*Launched on 9 May 2023, dis-invested on 8 August 2023 and reinvested on 11 October 20244.
**Launched on 17 April 2024.

^No group 2 shares in the period.

First interim period: 01.05.24 - 31.07.24
Second interim period: 01.08.24 - 31.10.24

Group 1: Shares purchased prior to a distribution period
Group 2: Shares purchased during a distribution period

Equalisation

Equalisation applies only to shares purchased during the distribution period (Group 2 shares). It represents accrued revenue included in the purchase price of the shares. After averaging, it is returned with the distribution as a capital repayment. It is not liable to income tax but must be deducted from the cost of the shares for capital gains tax purposes.

Investment Objective and Policy

for the period ended 31 October 2024

Investment Objective

The Sub-fund aims to achieve income and the potential for capital growth, net of charges, on a rolling five-year basis.

Investment Policy

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

The Sub-fund may invest directly or indirectly in UK and global fixed income securities, cash, near cash, money market instruments and permitted deposits in order to give exposure to a diversified portfolio of fixed interest holdings.

The Sub-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 this but it is not expected to ever fall below 50%.

The Sub-fund's intention is to invest conservatively and the Sub-fund's exposure will be 70% or greater in UK conventional gilts and index-linked gilts. The Sub-fund may additionally invest in investment grade and/or sub-investment grade corporate bonds.

The Sub-fund's indirect investments will include collective investment schemes (which may include those that are managed or operated by the ACD or an associate of the ACD).

The Sub-fund may use derivative instruments for the purpose of Efficient Portfolio Management. The use of derivatives for this purpose may affect the risk profile of the Sub-fund although this is not the ACD's intention. The Sub-fund may use derivative instruments for investment purposes on the giving of 60 days' notice to Shareholders.

Investment Manager's Report

for the period ended 31 October 2024

Market Commentary

Central bank activity dominated market sentiment during the latter part of the period, overshadowing an eventful political backdrop that included a resounding Labour victory, a late change in the Democratic Presidential nominee and the disturbing assassination attempts on former President and Republican nominee Donald Trump. The Bank of England ('BoE') and Federal Reserve ('Fed') both announced their first-interest rate cuts in over four years, with the Fed lowering the target rate by 50 basis points at its September meeting, following the decision not to cut in July. Markets reacted positively, hitting new highs despite bouts of turbulence during the period, most notably in early August following weaker US jobs data. However, positive company earnings and the subsequent Fed action steadied the ship, cementing a strong period for global equity markets.

Economies continuing to fare relatively well has allowed rate-setters to keep interest rates firmly in restrictive territory for longer than many expected, providing ongoing downward pressure on inflation. While central bank heads are reticent to declare the battle against inflation won, there is a growing acceptance in their public remarks that concerns in this regard have been substantially alleviated and the focus has shifted more to an apparent aim to not stifle economic growth.

The BoE lowered rates in August, announcing a 25 basis point reduction to bring the base rate to 5.0%. The news came the day after the Bank of Japan delivered a hawkish hike and the Fed held its benchmark rate at a 23-year high and the day before a weak US jobs report sparked some consternation that central banks had once more fallen behind the curve and holding rates too high for too long would tip economies into recession.

Technical factors, such as the unwinding of carry trades — based on borrowing in Japan at near-zero interest rates to invest in higher-yielding assets, such as US tech stocks and emerging market currencies — appear to have exacerbated the declines, as the Japanese interest rate increase triggered a sharp yen appreciation and a rush for the exit.

Heading into the Fed's September meeting there was a widespread expectation that rates would be lowered, although the size of the move was far from certain. Ultimately, the Fed decided to go with a larger 50 basis point cut lowering the federal funds rate to 4.75%-5.00%, perhaps compensating for their lack of policy easing in the previous month.

The third quarter of 2024 saw a reversal of several trends from earlier in the year, with small-cap companies outperforming larger technology stocks and more lowly-valued segments of the market – such as utilities and property – gaining ground. Bonds also saw pleasing returns after a tough first half of the year, driven principally by rate cut expectations. However, October saw a reversal of this positive market sentiment, particularly across fixed interest markets, with investors assessing the potential implications of the US

Investment Manager's Report

continued

election. Closer to home, the UK budget also marked a significant change in the UK's fiscal position, with plans to increase government spending by approximately £70bn per year, funded by an additional £40bn from taxes and the balance from additional borrowing. Although markets were forewarned of many of the most important tax changes, there was a notable reaction in bonds, with yields pushing higher.

Investment Review

During the six-month period to 31 October 2024, the A Income Class returned 2.75%* in GBP terms, outperforming its comparator benchmark, the iBoxx Sterling Overall Index which returned 2.03%~ in GBP terms.

The environment has been far from favourable throughout 2024 for fixed interest investments, with inflation concerns and a resilient global economy leading central banks to follow a slower and shallower rate-cutting path than previously anticipated. Nevertheless, pleasing returns were generated across the Sub-fund over the period, notably across the global investment grade credit and sterling investment grade bond holdings in Wellington Global Credit ESG and Royal London Sterling Credit.

Premier Miton Corporate Bond Monthly Income - a new addition to the Sub-fund over the period - was also a positive contributor, with the management team keeping duration short for much of the year. Elsewhere, the inclusion of short-dated UK government bonds also contributed to absolute and relative performance.

Over the period we established a holding in the Premier Miton Corporate Bond Monthly Income, which allocates investments across a diverse array of sterling investment grade bonds. We highly regard the management team, its proven track record, and the fund's proactive investment strategy. The funding for this came from exiting the Sub-fund's holding in Vanguard UK Investment Grade Bond Index.

Outlook

Donald Trump's historic victory has dominated investor sentiment in the immediate aftermath of the period, with his win marking only the second time the US has elected a president to non-consecutive terms. In the end, the result was decisive, with the Republican party completing the so-called 'trifecta' by sweeping both chambers of Congress and ensuring, at least on paper, limited opposition to policy plans over the next few years.

The initial market reaction has been quite clear, with US stocks up sharply, a rally in the US dollar, and an increase in US Treasury yields. Markets anticipate sizeable fiscal loosening, with the Trump administration expected to boost demand via a combination of tax cuts and government spending, while the imposition of more stringent tariffs would restrict the supply side of the economy. Together, these policies are seen as increasing inflation and government borrowing, suggesting higher interest rates next year than were previously expected. However, fluctuating assessments of the impact the new administration will have on the global economic and geopolitical landscape – which pledges can be placed firmly in the campaign rhetoric category, and which will translate into highly influential policy – will doubtless lead to some market volatility into, and beyond, January's Inauguration Day. While initial conclusions have been positive for US equities, much depends on whether the benefits of tax reductions and a lightening of companies' regulatory loads are overwhelmed by the negatives of a tariff-induced trade war, or the possibility of renewed inflationary pressures.

Fixed income – and specifically developed government bonds – has once again proved to be a more challenging area for investors this year. From a UK perspective, the recent budget and US election could have offsetting impacts. The higher borrowing announced in the Budget, and potentially stickier-than-expected inflation, would suggest the Bank of England may need to pursue a slower path of rate cuts. However, the imposition of sizeable US tariffs and the adverse impact that would have on UK growth suggests a potentially faster rate cutting trajectory. We continue to see the attractions of sovereign debt, given the historically tight spreads offered by corporate credit. Investors are being paid a relatively attractive return for owning developed government bonds, while we see them offering protection against both the prospect of a sharp recessionary environment or an unforeseen flare up in global tensions.

To summarise, we see active management playing an increasingly important role in 2025, and remain confident in our ability to navigate the challenges – and identify the opportunities – that will undoubtedly emerge throughout the year.

*Source: Financial Express December 2024. All figures to 31 October 2024

~Source: Data provided by FactSet

Portfolio Statement

as at 31 October 2024

Holding	Security	Market value £	% of total net assets 2024
	FINANCIALS 22.12% (22.45%)		
	Open-End and Miscellaneous Investment Vehicles 22.12% (22.45%)		
10,680,099	Premier Miton Corporate Bond Monthly Income - C Income*	7,738,800	4.86
12,809,140	Royal London Sterling Credit - Z Income*	15,537,487	9.75
1,213,050	Wellington Global Credit ESG - G Q1 DisH GBP*	11,968,315	7.51
		35,244,602	22.12
	DEBT INSTRUMENTS 76.76% (74.17%)		
	Pound Sterling denominated government debt securities 76.76% (74.17%)		
£17,191,570	UK Treasury 0.375% 22.10.30	13,774,574	8.64
£11,905,566	UK Treasury 0.625% 07.06.25	11,633,285	7.31
£17,927,913	UK Treasury 0.875% 22.10.29	15,335,716	9.62
£28,663,897	UK Treasury 1% 31.01.32	22,838,819	14.33
£16,756,966	UK Treasury 1.25% 22.07.27	15,500,696	9.73
£16,416,001	UK Treasury 1.5% 22.07.26	15,646,255	9.82
£14,382,938	UK Treasury 1.625% 22.10.28	13,070,207	8.20
£14,750,000	UK Treasury 4.25% 31.07.34	14,521,523	9.11
		122,321,075	76.76
	Investment assets	**157,565,677**	**98.88**
	Net other assets	**1,778,259**	**1.12**
	Net assets	**159,343,936**	**100.00**

All investments are ordinary shares or stock units on a regulated securities market unless otherwise stated. The percentages in brackets show the equivalent % holdings as at 30.04.24.

*Collective investment schemes permitted under COLL, not listed on any exchange.

Total purchases for the period: £50,685,201
Total sales for the period: £17,420,843

At the period end the Sub-fund did not hold shares in any of the other Sub-funds within the MI Quilter Cheviot Investment Funds.

Analysis of bonds by credit rating^	Market value £	% of total net assets 31.10.24	% of total net assets 30.04.24
Investment grade (BBB & above)	122,321,075	76.76	74.17

^Source: NTISL

Net Asset Value and Shares in Issue

Class	Net Asset Value	Shares in issue	Net Asset Value per share p	Operating Charges*
A Income	£74,837,690	95,620,034	78.27	0.18%
A Accumulation	£83,114,552	103,316,169	80.45	0.18%
B Income^	£87	87	99.49	0.33%
B Accumulation	£1,391,607	1,362,311	102.15	0.38%

^B Income reinvested 11 October 2024.

*Operating charges include indirect costs incurred in the maintenance and running of the Sub-fund, as disclosed (but not limited to) the detailed expenses within the Statement of Total Return. Included within this figure are the charges of the underlying Funds (synthetic ongoing charge). The figures used within this table have been calculated by annualising the expenses incurred against the average Net Asset Value for the accounting period.

On 01 September 2024 following a review of fees the Investment Manager is now charging 0.2% on the B Income and B Accumulation share classes.

Risk and Reward Profile

The Risk and Reward Indicator table demonstrates where the Sub-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 Sub-fund. The shaded area in the table below shows the Sub-fund's ranking on the Risk and Reward Indicator.

Typically lower rewards, lower risk						Typically higher rewards, higher risk
1	2	3	**4**	5	6	7

The Sub-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 Sub-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 Sub-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 Sub-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.

Risk warning

An investment in a non-UCITS Retail Scheme Open-Ended Investment Company should be regarded as a medium to long-term investment. Investors should be aware that the price of shares and the revenue from them can fall as well as rise and investors may not receive back the full amount invested. Past performance is not a guide to future performance. Investments denominated in currencies other than the base currency are subject to fluctuation in exchange rates, which can be favourable or unfavourable.

Statement of Total Return

for the period ended 31 October 2024

	31.10.24		31.10.23	
	£	£	£	£
Income				
Net capital gains/(losses)		512,321		(2,805,243)
Revenue	2,800,467		1,882,653	
Expenses	(75,977)		(64,249)	
Net revenue before taxation	2,724,490		1,818,404	
Taxation	–		–	
Net revenue after taxation		2,724,490		1,818,404
Total return before distributions		**3,236,811**		**(986,839)**
Distributions		(2,724,462)		(1,818,433)
Change in net assets attributable to Shareholders from investment activities		**512,349**		**(2,805,272)**

Statement of Change in Net Assets Attributable to Shareholders

for the period ended 31 October 2024

	31.10.24		31.10.23	
	£	£	£	£
Opening net assets attributable to Shareholders		**126,764,123**		**97,174,315**
Amounts receivable on issue of shares	42,564,659		27,465,247	
Less: Amounts payable on cancellation of shares	(11,990,644)		(11,981,028)	
		30,574,015		15,484,219
Change in net assets attributable to Shareholders from investment activities (see Statement of Total Return above)		512,349		(2,805,272)
Retained distributions on accumulation shares		1,493,449		847,386
Closing net assets attributable to Shareholders		**159,343,936**		**110,700,648**

The opening net assets attributable to Shareholders for the current period do not equal the closing net assets attributable to Shareholders for the comparative period as they are not consecutive periods.

Balance Sheet
as at 31 October 2024

	31.10.24		30.04.24	
	£	£	£	£
ASSETS				
Fixed assets				
Investments		**157,565,677**		**122,473,701**
Current assets				
Debtors	1,201,268		847,075	
Cash and bank balances	4,247,923		5,611,955	
Total current assets		**5,449,191**		**6,459,030**
Total assets		**163,014,868**		**128,932,731**
LIABILITIES				
Creditors				
Bank overdrafts	(2,321,824)		(1,111,152)	
Distribution payable	(736,657)		(585,255)	
Other creditors	(612,451)		(472,201)	
Total creditors		**(3,670,932)**		**(2,168,608)**
Total liabilities		**(3,670,932)**		**(2,168,608)**
Net assets attributable to Shareholders		**159,343,936**		**126,764,123**

Distribution Tables

for the period ended 31 October 2024

Income Share Distributions

Share class	Distribution	Shares	Net revenue p	Equalisation p	Distribution paid/payable 2024 p	Distribution paid 2023 p
A	First interim	Group 1 Group 2	0.7468 0.4584	– 0.2884	0.7468 0.7468	0.6294 0.6294
	Second interim	Group 1 Group 2	0.7704 0.1828	– 0.5876	0.7704 0.7704	0.7050 0.7050
B*	First interim	Group 1 Group 2	n/a n/a	n/a n/a	n/a n/a	n/a n/a
	Second interim	Group 1 Group 2	– –	– –	– –	n/a n/a

Accumulation Share Distributions

Share class	Distribution	Shares	Net revenue p	Equalisation p	Amount reinvested 2024 p	Amount reinvested 2023 p
A	First interim	Group 1 Group 2	0.7524 0.4075	– 0.3449	0.7524 0.7524	0.6114 0.6114
	Second interim	Group 1 Group 2	0.7836 0.3016	– 0.4820	0.7836 0.7836	0.6915 0.6915
B**	First interim	Group 1 Group 2	0.5239 0.2522	– 0.2717	0.5239 0.5239	n/a n/a
	Second interim	Group 1 Group 2	0.9813 0.1185	– 0.8628	0.9813 0.9813	n/a n/a

*Launched on 9 May 2023, dis-invested 8 August 2023 and reinvested on 11 October 2024.
**Launched on 17 April 2024.

First interim period: 01.05.24 - 31.07.24
Second interim period: 01.08.24 - 31.10.24

Group 1: Shares purchased prior to a distribution period
Group 2: Shares purchased during a distribution period

Equalisation

Equalisation applies only to shares purchased during the distribution period (Group 2 shares). It represents accrued revenue included in the purchase price of the shares. After averaging, it is returned with the distribution as a capital repayment. It is not liable to income tax but must be deducted from the cost of the shares for capital gains tax purposes.

Investment Objective and Policy

for the period ended 31 October 2024

Investment Objective

The Sub-fund aims to achieve capital growth and income, net of charges, on a rolling five-year basis.

Investment Policy

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

The Sub-fund's exposure to alternative asset classes will typically be 60% (with a minimum of 50%) which may include: private equity; infrastructure; currency; derivatives; absolute return strategy funds and multi-asset strategy funds. The Sub-fund will have no direct exposure to property or commodities funds. The majority of the alternative asset class exposure will be composed of absolute return strategy funds and multi-asset strategy funds which may include event-driven strategies; equity long/short strategies; and trendfollowing funds. The remainder of the Sub-fund will be composed of mainstream asset classes which may include equities, government bonds, investment grade and/or sub-investment grade corporate bonds, cash, near cash, money market instruments and permitted deposits.

The Sub-fund may invest directly or indirectly in order to gain exposure to a diversified portfolio of asset classes. The Sub-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, but it is not expected to ever fall below 80%.

The Investment Manager will use indirect investment methods which may include collective investment schemes (which may include those that are managed or operated by the ACD or an associate of the ACD) and Investment Trusts, to gain exposure to alternative assets classes with the purpose of ensuring that the liquidity profile of the Sub-fund is appropriate for a retail fund that offers daily dealing to investors.

The Sub-fund may use derivative instruments for the purpose of Efficient Portfolio Management or investment purposes. The use of derivatives for this purpose may affect the risk profile of the Sub-fund although this is not the ACD's intention.

The Sub-fund's asset allocation will provide an efficient, cost-effective exposure to mainstream asset classes such as global equities through the use of predominately low-cost passive funds, with a contrasting exposure to alternative asset classes with the objective of diversifying both risk and return within the fund itself, or as part of a wider model portfolio. The Sub-fund will therefore obtain some of its exposure through low-cost investments that track the performance of mainstream asset classes (but the Sub-fund itself does not seek to track any index). No more than 50% of the Sub-fund will be invested in index-tracking investments.

Investment Manager's Report

for the period ended 31 October 2024

Market Commentary

Central bank activity dominated market sentiment during the latter part of the period, overshadowing an eventful political backdrop that included a resounding Labour victory, a late change in the Democratic Presidential nominee and the disturbing assassination attempts on former President and Republican nominee Donald Trump. The Bank of England ('BoE') and Federal Reserve ('Fed') both announced their first-interest rate cuts in over four years, with the Fed lowering the target rate by 50 basis points at its September meeting, following the decision not to cut in July. Markets reacted positively, hitting new highs despite bouts of turbulence during the period, most notably in early August following weaker US jobs data. However, positive company earnings and the subsequent Fed action steadied the ship, leading to a strong close.

Economies continuing to fare relatively well has allowed rate-setters to keep interest rates firmly in restrictive territory for longer than many expected, providing ongoing downward pressure on inflation. While central bank heads are reticent to declare the battle against inflation won, there is a growing acceptance in their public remarks that concerns in this regard have been substantially alleviated and the focus has shifted more to an apparent aim to not stifle economic growth.

The BoE lowered rates in August, announcing a 25 basis point reduction to bring the base rate to 5.0%. The news came the day after the Bank of Japan delivered a hawkish hike and the Fed held its benchmark rate at a 23-year high and the day before a weak US jobs report sparked some consternation that central banks had once more fallen behind the curve and holding rates too high for too long would tip economies into recession.

Investment Manager's Report

continued

Technical factors, such as the unwinding of carry trades — based on borrowing in Japan at near-zero interest rates to invest in higher-yielding assets, such as US tech stocks and emerging market currencies — appear to have exacerbated the declines, as the Japanese interest rate increase triggered a sharp yen appreciation and a rush for the exit.

Heading into the Fed's September meeting there was a widespread expectation that rates would be lowered, although the size of the move was far from certain. Ultimately, the Fed decided to go with a larger 50 basis point cut lowering the federal funds rate to 4.75%-5.00%, perhaps compensating for their lack of policy easing in the previous month.

The third quarter of 2024 saw a reversal of several trends from earlier in the year, with small-cap companies outperforming larger technology stocks and more lowly-valued segments of the market – such as utilities and property – gaining ground. Bonds also saw pleasing returns after a tough first half of the year, driven principally by rate cut expectations. However, October saw a reversal of this positive market sentiment, particularly across fixed interest markets, with investors assessing the potential implications of the US election. Closer to home, the UK budget also marked a significant change in the UK's fiscal position, with plans to increase government spending by approximately £70bn per year, funded by an additional £40bn from taxes and the balance from additional borrowing. Although markets were forewarned of many of the most important tax changes, there was a notable reaction in bonds, with yields pushing higher.

Investment Review

During the six-month period to 31 October 2024, the A Income Class returned 2.46%* in GBP terms, underperforming its comparator benchmark, the MSCI custom index of 100% Long MSCI World Diversified Multiple Factor Index + 70% Short MSCI World Index which returned 3.75%~ in GBP terms.

From an attribution perspective, positive returns were generated by the Sub-fund's Global Equity component, specifically the HSBC MSCI World UCITS ETF. This performance was predominantly driven by the growth of US equities. In addition, pleasing gains were seen from the exposure to PIMCO Dynamic Multi Asset within the Hedge and absolute component and BH Macro, which had a profitable period trading on interest rate curves across the UK, US and Europe.

On the other hand, relative weakness was seen from Fidante Partners Liquid Strategies - Ardea Global Alpha and Trium ESG Emissions Improvers, with the latter seeing stock-specific losses in July and August. Another negative contributor to the Sub-fund's performance during the period was the holding in Aspect Diversified Trends, which suffered amid the abrupt reversal in market sentiment during August and October.

During the period we made several changes to the Sub-fund. We completely exited the holding in PIMCO Dynamic Multi-Asset in favour of BNY Mellon Real Return. This followed the announcement of forthcoming changes to the former's strategy, and a broadening out of the latter's range of asset classes used across the fund.

Elsewhere, we broadened our exposure to holdings seeking to generate positive returns with a lower correlation to broader equity markets. The Neuberger Berman Event Driven fund aims to deliver returns through exposure to US equities, albeit in a relatively market neutral format. In keeping with this objective, it seeks to take advantage of mispricing that can occur as a result of corporate change (e.g. management changes or corporate reorganisations) and within environments of high corporate activity. We funded this position using proceeds from a reduction in Mygale Event Driven.

Outlook

Donald Trump's historic victory has dominated investor sentiment in the immediate aftermath of the period, with his win marking only the second time the US has elected a president to non-consecutive terms. In the end, the result was decisive, with the Republican party completing the so-called 'trifecta' by sweeping both chambers of Congress and ensuring, at least on paper, limited opposition to policy plans over the next few years.

The initial market reaction has been quite clear, with US stocks up sharply, a rally in the US dollar, and an increase in US Treasury yields. Markets anticipate sizeable fiscal loosening, with the Trump administration expected to boost demand via a combination of tax cuts and government spending, while the imposition of more stringent tariffs would restrict the supply side of the economy. Together, these policies are seen as increasing inflation and government borrowing, suggesting higher interest rates next year than were previously expected. However, fluctuating assessments of the impact the new administration will have on the global economic and geopolitical landscape – which pledges can be placed firmly in the campaign rhetoric category, and which will translate into highly influential policy – will doubtless lead to some market volatility into, and beyond, January's Inauguration Day.

Investment Manager's Report

continued

While initial conclusions have been positive for US equities, much depends on whether the benefits of tax reductions and a lightening of companies' regulatory loads are overwhelmed by the negatives of a tariff-induced trade war, or the possibility of renewed inflationary pressures. Although we remain cognisant of these headline influences, we continue to see a reasonable backdrop for continued earnings growth, and attractive thematic and individual opportunities in which to invest.

Fixed income – and specifically developed government bonds – has once again proved to be a more challenging area for investors this year. From a UK perspective, the recent Budget and US election could have offsetting impacts. The higher borrowing announced in the Budget, and potentially stickier-than-expected inflation, would suggest the Bank of England may need to pursue a slower path of rate cuts. However, the imposition of sizeable US tariffs and the adverse impact that would have on UK growth suggests a potentially faster rate cutting trajectory. We continue to see the attractions of sovereign debt: investors are receiving a relatively attractive return for owning developed government bonds, while offering protection against both the prospect of a sharp recessionary environment or an unforeseen flare up in global tensions.

To summarise, we see active management playing an increasingly important role in 2025, and remain confident in our ability to navigate the challenges – and identify the opportunities – that will undoubtedly emerge throughout the year.

*Source: Financial Express December 2024. All figures to 31 October 2024

~Source: Data provided by FactSet

Portfolio Statement

as at 31 October 2024

Holding	Security	Market value £	% of total net assets 2024
	FINANCIALS 97.64% (97.95%)		
	Closed-End Investments 3.68% (3.57%)		
3,055,509	BH Marco	11,855,375	3.68
	Open-End and Miscellaneous Investment Vehicles 93.96% (94.38%)		
129,624	Aspect Diversified Trends - P GBP Institutional*	22,148,830	6.88
144,599	BlackRock ICS Sterling Liquidity Premier - Accumulation*	16,841,892	5.23
19,904,891	BNY Mellon Investment - Institutional W Income*	22,315,373	6.94
469,980	Fidante Partners Liquid Strategies ICAV - Ardea Global Alpha - X GBP Hedged Income*	45,052,280	14.01
265,583	HSBC MSCI World UCITS ETF - USD Distributing	7,563,804	2.35
189,306	iShares UK Gilts 0-5yr UCITS ETF - GBP Distributing	23,922,599	7.44
27,072,889	Janus Henderson Absolute Return - G Accumulation*	33,678,674	10.47
112,136	MontLake UCITS Fund Platform ICAV - Mygale Event Driven UCITS*	12,827,201	3.99
2,498,956	Neuberger Berman Event Driven - I5 GBP Distribution*	28,063,277	8.72
1,335,251	SPDR® MSCI World UCITS ETF	40,150,998	12.48
176,813	Trium ESG Emissions Improvers - F GBP Accumulation*	22,566,643	7.01
20,431,890	Trojan - X Income - GBP Distributing*	27,164,198	8.44
		302,295,769	93.96
	Investment assets	**314,151,144**	**97.64**
	Net other assets	**7,603,726**	**2.36**
	Net assets	**321,754,870**	**100.00**

All investments are ordinary shares or stock units on a regulated securities market unless otherwise stated. The percentages in brackets show the equivalent % holdings as at 30.04.24.

*Collective investment schemes permitted under COLL, not listed on any exchange.

Total purchases for the period: £277,480,110
Total sales for the period: £12,765,686

At the period end the Sub-fund did not hold shares in any of the other Sub-funds within the MI Quilter Cheviot Investment Funds.

Net Asset Value and Shares in Issue

Class	Net Asset Value	Shares in issue	Net Asset Value per share p	Operating Charges*
A Income	£297,551,932	293,693,981	101.31	0.57%
A Accumulation	£24,116,827	23,449,536	102.85	0.57%
B Income^	£87	87	99.96	0.70%
B Accumulation	£86,024	84,098	102.29	0.77%

^B Income reinvested 11 October 2024.

*Operating charges include indirect costs incurred in the maintenance and running of the Sub-fund, as disclosed (but not limited to) the detailed expenses within the Statement of Total Return. Included within this figure are the charges of the underlying Funds (synthetic ongoing charge). The figures used within this table have been calculated against the average Net Asset Value for the accounting period.

On 01 September 2024 following a review of fees the Investment Manager is now charging 0.2% on the B Income and B Accumulation share classes.

Risk and Reward Profile

The Risk and Reward Indicator table demonstrates where the Sub-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 Sub-fund. The shaded area in the table below shows the Sub-fund's ranking on the Risk and Reward Indicator.

Typically lower rewards, lower risk ← → **Typically higher rewards, higher risk**

1	2	**3**	4	5	6	7

The Sub-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 Sub-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 Sub-fund.
- In difficult market conditions, the value of some investments may be less predictable than normal and the Sub-fund may not be able to buy and sell these investments at the best time or at a fair price. This could affect the Sub-fund's performance, potentially reducing your returns.
- The Sub-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 Sub-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.

Risk warning

An investment in a non-UCITS Retail Scheme Open-Ended Investment Company should be regarded as a medium to long-term investment. Investors should be aware that the price of shares and the revenue from them can fall as well as rise and investors may not receive back the full amount invested. Past performance is not a guide to future performance. Investments denominated in currencies other than the base currency are subject to fluctuation in exchange rates, which can be favourable or unfavourable.

Statement of Total Return

for the period ended 31 October 2024

		31.10.24		31.10.23
	£	£	£	£
Income				
Net capital gains/(losses)		3,438,172		(928,857)
Revenue	498,362		630,668	
Expenses	(73,580)		(50,248)	
Interest payable and similar charges	(122)		–	
Net revenue before taxation	424,660		580,420	
Taxation	(56,191)		(3,095)	
Net revenue after taxation		368,469		577,325
Total return before distributions		**3,806,641**		**(351,532)**
Distributions		(394,223)		(577,292)
Change in net assets attributable to Shareholders from investment activities		**3,412,418**		**(928,824)**

Statement of Change in Net Assets Attributable to Shareholders

for the period ended 31 October 2024

		31.10.24		31.10.23
	£	£	£	£
Opening net assets attributable to Shareholders		**47,202,910**		**74,324,367**
Amounts receivable on issue of shares	282,248,623		11,521,069	
Less: Amounts payable on cancellation of shares	(11,215,040)		(26,468,325)	
		271,033,583		(14,947,256)
Change in net assets attributable to Shareholders from investment activities (see Statement of Total Return above)		3,412,418		(928,824)
Retained distributions on accumulation shares		105,959		137,117
Closing net assets attributable to Shareholders		**321,754,870**		**58,585,404**

The opening net assets attributable to Shareholders for the current period do not equal the closing net assets attributable to Shareholders for the comparative period as they are not consecutive periods.

Balance Sheet

as at 31 October 2024

	31.10.24		30.04.24	
	£	£	£	£
ASSETS				
Fixed assets				
Investments		**314,151,144**		**46,233,640**
Current assets				
Debtors	5,991,325		301,254	
Cash and bank balances	6,146,422		1,172,240	
Total current assets		**12,137,747**		**1,473,494**
Total assets		**326,288,891**		**47,707,134**
LIABILITIES				
Creditors				
Bank overdrafts	–		(8,536)	
Distribution payable	(39,146)		(169,258)	
Other creditors	(4,494,875)		(326,430)	
Total creditors		**(4,534,021)**		**(504,224)**
Total liabilities		**(4,534,021)**		**(504,224)**
Net assets attributable to Shareholders		**321,754,870**		**47,202,910**

Distribution Tables

for the period ended 31 October 2024

Income Share Distributions

Share class	Distribution	Shares	Net revenue p	Equalisation p	Distribution paid/payable 2024 p	Distribution paid 2023 p
A	First interim	Group 1	0.6987	–	0.6987	0.5610
		Group 2	0.1365	0.5622	0.6987	0.5610
	Second interim	Group 1	0.0133	–	0.0133	0.2153
		Group 2	–	0.0133	0.0133	0.2153
B*	First interim	Group 1	n/a	n/a	n/a	0.4354
		Group 2	n/a	n/a	n/a	0.4354
	Second interim	Group 1	–	–	–	n/a
		Group 2	–	–	–	n/a

Accumulation Share Distributions

Share class	Distribution	Shares	Net revenue p	Equalisation p	Amount reinvested 2024 p	Amount reinvested 2023 p
A	First interim	Group 1	0.6811	–	0.6811	0.5561
		Group 2	0.4383	0.2428	0.6811	0.5561
	Second interim	Group 1	–	–	–	0.2146
		Group 2	–	–	–	0.2146
B**	First interim	Group 1	0.7031	–	0.7031	n/a
		Group 2	0.0564	0.6467	0.7031	n/a
	Second interim	Group 1	0.0501	–	0.0501	n/a
		Group 2	0.0239	0.0262	0.0501	n/a

*Launched on 9 May 2023, dis-invested on 8 August and reinvested on 11 October 2024.
**Launched on 17 April 2024.

First interim period: 01.05.24 - 31.07.24
Second interim period: 01.08.24 - 31.10.24

Group 1: Shares purchased prior to a distribution period
Group 2: Shares purchased during a distribution period

Equalisation

Equalisation applies only to shares purchased during the distribution period (Group 2 shares). It represents accrued revenue included in the purchase price of the shares. After averaging, it is returned with the distribution as a capital repayment. It is not liable to income tax but must be deducted from the cost of the shares for capital gains tax purposes.

Investment Objective and Policy

for the period ended 31 October 2024

Investment Objective

The Sub-fund aims to achieve capital growth and income, net of charges, on a rolling five-year basis.

Investment Policy

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

The Sub-fund will invest at least 90% directly or indirectly, in shares of companies in developed markets in Europe excluding the UK.

The Sub-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 this but it is not expected to ever fall below 60%. These are companies that are domiciled, incorporated or have a significant portion of their business in developed markets in Europe excluding the UK, even if listed elsewhere.

The Sub-fund may also invest in other transferable securities, warrants, money market instruments, deposits and cash.

The Sub-fund's indirect investments will include collective investment schemes (which may include those that are managed or operated by the ACD or an associate of the ACD).

The Sub-fund may use derivative instruments for the purpose of Efficient Portfolio Management. The use of derivatives for this purpose may affect the risk profile of the Sub-fund although this is not the ACD's intention. The Sub-fund may use derivative instruments for investment purposes on the giving of 60 days' notice to Shareholders.

The Investment Manager's strategy for selecting investments and allocating to sectors is dynamic and will reflect its assessment of the market cycle.

Investment Manager's Report

for the period ended 31 October 2024

Market Commentary

Central bank activity dominated market sentiment during the latter part of the period, overshadowing an eventful political backdrop that included a resounding Labour victory, a late change in the Democratic Presidential nominee and the disturbing assassination attempts on former President and Republican nominee Donald Trump. The Bank of England ('BoE') and Federal Reserve ('Fed') both announced their first-interest rate cuts in over four years, with the Fed lowering the target rate by 50 basis points at its September meeting, following the decision not to cut in July. Markets reacted positively, hitting new highs despite bouts of turbulence during the period, most notably in early August following weaker US jobs data. However, positive company earnings and the subsequent Fed action steadied the ship, leading to a strong close.

Economies continuing to fare relatively well has allowed rate-setters to keep interest rates firmly in restrictive territory for longer than many expected, providing ongoing downward pressure on inflation. While central bank heads are reticent to declare the battle against inflation won, there is a growing acceptance in their public remarks that concerns in this regard have been substantially alleviated and the focus has shifted more to an apparent aim to not stifle economic growth.

The BoE lowered rates in August, announcing a 25 basis point reduction to bring the base rate to 5.0%. The news came the day after the Bank of Japan delivered a hawkish hike and the Fed held its benchmark rate at a 23-year high and the day before a weak US jobs report sparked some consternation that central banks had once more fallen behind the curve and holding rates too high for too long would tip economies into recession.

Technical factors, such as the unwinding of carry trades — based on borrowing in Japan at near-zero interest rates to invest in higher-yielding assets, such as US tech stocks and emerging market currencies — appear to have exacerbated the declines, as the Japanese interest rate increase triggered a sharp yen appreciation and a rush for the exit.

Heading into the Fed's September meeting there was a widespread expectation that rates would be lowered, although the size of the move was far from certain. Ultimately, the Fed decided to go with a larger 50 basis point cut lowering the federal funds rate to 4.75%-5.00%, perhaps compensating for their lack of policy easing in the previous month.

Investment Manager's Report

continued

The third quarter of 2024 saw a reversal of several trends from earlier in the year, with small-cap companies outperforming larger technology stocks and more lowly-valued segments of the market – such as utilities and property – gaining ground. Bonds also saw pleasing returns after a tough first half of the year, driven principally by rate cut expectations. However, October saw a reversal of this positive market sentiment, particularly across fixed interest markets, with investors assessing the potential implications of the US election. Closer to home, the UK budget also marked a significant change in the UK's fiscal position, with plans to increase government spending by approximately £70bn per year, funded by an additional £40bn from taxes and the balance from additional borrowing. Although markets were forewarned of many of the most important tax changes, there was a notable reaction in bonds, with yields pushing higher.

Investment Review

During the six-month period to 31 October 2024, the A Income Class returned -1.67%* in GBP terms, underperforming its comparator benchmark, the MSCI Europe Ex-United Kingdom Index which returned 0.15%~ in GBP terms.

The Sub-fund's allocation to the Industrials sector demonstrated positive security selection, which enhanced performance. Notably, our investments in DSV and Alstom contributed significantly, with DSV, initiated in the last period, becoming the global market leader following its acquisition of DB Schenker in September. Additionally, the Communication Services sector positively impacted returns, with Deutsche Telekom demonstrating robust performance, supported by its stake in T-Mobile.

Conversely, the Information Technology sector exhibited weakness, particularly within the semiconductor industry, where we have investments in companies such as ASML and Infineon Technologies. Investors expressed concerns regarding ASML's exposure to China due to declining demand and a weaker outlook from major customers, including Samsung and Intel. Other detractors to performance came from renewable energy company EDP Renováveis, the sole holding within Utilities, and LVMH Moet Hennessy Louis Vuitton and Stellantis within Consumer Discretionary. Stellantis, the car manufacturer, was not exempt from the overall weakness in demand within the sector, however, further headwinds were specific to the company given production volume difficulties in their North American region, leading to a series of cost cutting initiatives.

Additionally, political instability in France, arising from concerns about the budget deficit and the potential collapse of the government due to a snap election resulting in a hung parliament, has raised significant concerns regarding the stability of French equities, which temporarily impacted companies with large exposures to the region, particularly some of the holdings within Financials.

During the period we reduced our holding in French bank BNP Paribas in favour of adding to Nordea Bank. Demonstrating strong capital ratios, consistent profitability and a position as the leading bank across the Nordic countries (as well as a significant asset and wealth management business), we see Nordea as offering a slightly more defensive profile. In addition, we also added to our holding in SAP, the global leader in business management software which continues to benefit from rising IT spend, gains in market share and a leading product suite.

We also trimmed the holding in Epiroc (the mining and infrastructure equipment manufacturer) in favour of adding to Alstom, the French manufacturer offering a range of equipment and services including high-speed trains, metros, trams and digital mobility solutions. Having endured a difficult past 18 months, which required a rights issue (in which we participated) to address leverage and credit risk concerns, we see an attractive path toward a re-rating of the stock, with the company a key beneficiary of the global focus on carbon neutrality and sustainable transportation. Additionally, towards the end of the period, we increased our holdings in Partners Group, an alternative asset manager, as the reduction in interest rates is expected to foster greater activity in private credit and secondary markets.

During this period, we initiated investments in two companies. Our first new investment was in AIB, a leading Irish bank that offers comprehensive services to both personal and business customers. We believe that the bank has capitalized on rising interest rates and possesses strong pricing leverage, particularly as Ireland's banking market has become more concentrated due to the exit of several competitors. This addition was financed by reducing our positions in ING Groep, the Dutch banking conglomerate, and Roche, the Swiss pharmaceutical company, although we continue to maintain these as key holdings.

Our second new entry was in Industria De Diseno (Inditex), the world's foremost fashion retailer and owner of Zara, one of the most globally recognised brands. The investment in Industria De Diseno was funded by scaling back our exposure to Kerry, the specialist food ingredient producer, and LVMH Moet Hennessy Louis Vuitton, the luxury goods corporation. Industria De Diseno's unique approach of just-in-time production, rapid product turnover, and vertical integration affords it a competitive edge in responding to fashion trends and swiftly introducing new offerings to the market. We also believe that the US presents significant growth potential for Inditex, positioning it favourably to expand its market presence.

Investment Manager's Report
continued

Outlook
Donald Trump's historic victory has dominated investor sentiment in the immediate aftermath of the period, with his win marking only the second time the US has elected a president to non-consecutive terms. In the end, the result was decisive, with the Republican party completing the so-called 'trifecta' by sweeping both chambers of Congress and ensuring, at least on paper, limited opposition to policy plans over the next few years.

The initial market reaction has been quite clear, with US stocks up sharply, a rally in the US dollar, and an increase in US Treasury yields. Markets anticipate sizeable fiscal loosening, with the Trump administration expected to boost demand via a combination of tax cuts and government spending, while the imposition of more stringent tariffs would restrict the supply side of the economy. Together, these policies are seen as increasing inflation and government borrowing, suggesting higher interest rates next year than were previously expected. However, fluctuating assessments of the impact the new administration will have on the global economic and geopolitical landscape – which pledges can be placed firmly in the campaign rhetoric category, and which will translate into highly influential policy – will doubtless lead to some market volatility into, and beyond, January's Inauguration Day.

While initial conclusions have been positive for US equities, much depends on whether the benefits of tax reductions and a lightening of companies' regulatory loads are overwhelmed by the negatives of a tariff-induced trade war, or the possibility of renewed inflationary pressures. Although we remain cognisant of these headline influences, we continue to see a reasonable backdrop for continued earnings growth, and attractive thematic and individual opportunities in which to invest. We see active management playing an increasingly important role in 2025, and remain confident in our ability to navigate the challenges – and identify the opportunities – that will undoubtedly emerge throughout the year.

*Source: Financial Express December 2024. All figures to 31 October 2024

~Source: Data provided by FactSet

Portfolio Statement

as at 31 October 2024

Holding	Security	Market value £	% of total net assets 2024
	BASIC MATERIALS 2.79% (2.82%)		
	Chemicals 2.79% (2.82%)		
16,647	Sika	3,569,971	2.79
	TECHNOLOGY 12.50% (11.67%)		
	Software and Computer Services 4.22% (2.89%)		
30,049	SAP	5,407,159	4.22
	Technology Hardware and Equipment 8.28% (8.78%)		
15,848	ASML	8,247,280	6.44
96,921	Infineon Technologies	2,350,560	1.84
		10,597,840	8.28
	TELECOMMUNICATIONS 3.84% (3.68%)		
	Telecommunications Service Providers 3.84% (3.68%)		
82,443	Cellnex Telecom	2,324,039	1.81
111,700	Deutsche Telekom	2,598,567	2.03
		4,922,606	3.84
	HEALTH CARE 16.51% (17.62%)		
	Medical Equipment and Services 1.87% (1.97%)		
59,657	Siemens Healthineers	2,389,379	1.87
	Pharmaceuticals and Biotechnology 14.64% (15.65%)		
57,750	Novartis	4,832,248	3.77
75,214	Novo Nordisk	6,437,839	5.03
15,827	Roche	3,782,384	2.95
45,436	Sanofi	3,696,314	2.89
		18,748,785	14.64
	FINANCIALS 22.66% (21.48%)		
	Banks 8.60% (8.03%)		
580,717	AIB	2,375,133	1.85
46,400	BNP Paribas	2,439,139	1.90
182,983	ING Groep	2,402,677	1.88
423,450	Nordea Bank	3,799,526	2.97
		11,016,475	8.60
	Investment Banking and Brokerage Services 5.80% (4.66%)		
42,286	Amundi	2,355,717	1.84
31,395	Euronext	2,664,249	2.08
2,265	Partners Group	2,410,477	1.88
		7,430,443	5.80
	Open-End and Miscellaneous Investment Vehicles 2.45% (3.03%)		
2,106,892	JP Morgan Europe Smaller Companies - C Net Income*	2,496,668	1.95
19,206	Vanguard FTSE Developed Europe ex UK UCITS ETF - GBP Distributing*	637,063	0.50
		3,133,731	2.45

Portfolio Statement

continued

Holding	Security	Market value £	% of total net assets 2024
	Non-life Insurance 5.81% (5.76%)		
15,629	Allianz	3,782,540	2.95
107,931	Sampo OYJ	3,667,321	2.86
		7,449,861	5.81
	REAL ESTATE 0.96% (1.00%)		
	Real Estate 0.96% (1.00%)		
14,952	Gecina	1,228,150	0.96
	CONSUMER DISCRETIONARY 10.63% (9.80%)		
	Automobiles and Parts 1.71% (1.84%)		
206,953	Stellantis	2,184,128	1.71
	Personal Goods 8.92% (7.96%)		
14,462	Adidas	2,652,033	2.07
22,817	Compagnie Financière Richemont	2,550,375	1.99
58,687	Industria De Diseno	2,570,291	2.01
7,153	LVMH Moet Hennessy Louis Vuitton	3,654,100	2.85
		11,426,799	8.92
	CONSUMER STAPLES 6.56% (7.52%)		
	Beverages 1.73% (1.87%)		
23,082	Pernod Ricard	2,209,197	1.73
	Food Producers 4.83% (5.65%)		
16,584	Kerry	1,271,204	0.99
67,564	Nestlé	4,916,923	3.84
		6,188,127	4.83
	INDUSTRIALS 17.59% (16.62%)		
	Construction and Materials 0.00% (0.00%)		
	Aerospace and Defense 2.12% (1.94%)		
23,106	Airbus	2,713,024	2.12
	Electronic and Electrical Equipment 6.17% (5.24%)		
173,851	Alstom	2,920,091	2.28
25,052	Schneider Electric	4,978,080	3.89
		7,898,171	6.17
	General Industrials 4.00% (3.89%)		
34,232	Siemens	5,124,620	4.00
	Industrial Engineering 2.98% (3.76%)		
87,710	Epiroc	1,309,994	1.02
11,219	Schindler	2,510,014	1.96
		3,820,008	2.98
	Industrial Transportation 2.32% (1.79%)		
17,726	DSV	2,965,383	2.32

Portfolio Statement

continued

Holding	Security	Market value £	% of total net assets 2024
	ENERGY 2.89% (3.88%)		
	Oil, Gas and Coal 2.89% (3.88%)		
77,051	TotalEnergies	3,704,412	2.89
	UTILITIES 1.78% (1.86%)		
	Electricity 1.78% (1.86%)		
220,106	EDP Renováveis	2,280,901	1.78
	Investment assets	**126,409,170**	**98.71**
	Net other assets	**1,657,182**	**1.29**
	Net assets	**128,066,352**	**100.00**

All investments are ordinary shares or stock units on a regulated securities market unless otherwise stated. The percentages in brackets show the equivalent % holdings as at 30.04.24.

*Collective investment schemes permitted under COLL, not listed on any exchange.

Total purchases for the period: £ 40,513,056
Total sales for the period: £ 10,054,652

At the period end the Sub-fund did not hold shares in any other Sub-funds within the MI Quilter Cheviot Investment Funds.

Net Asset Value and Shares in Issue

Class	Net Asset Value	Shares in issue	Net Asset Value per share p	Operating Charges*
A Income	£90,816,204	87,038,633	104.34	0.18%
A Accumulation	£37,159,100	35,091,292	105.89	0.18%
B Income^	£84	89	94.01	0.30%
B Accumulation	£90,964	91,892	98.99	0.38%

^B Income reinvested 11 October 2024.

*Operating charges include indirect costs incurred in the maintenance and running of the Sub-fund, as disclosed (but not limited to) the detailed expenses within the Statement of Total Return. Included within this figure are the charges of the underlying Funds (synthetic ongoing charge). The figures used within this table have been calculated by annualising the expenses incurred against the average Net Asset Value for the accounting period.

On 01 September 2024 following a review of fees the Investment Manager is now charging 0.2% on the B Income and B Accumulation share classes.

Risk and Reward Profile

The Risk and Reward Indicator table demonstrates where the Sub-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 Sub-fund. The shaded area in the table below shows the Sub-fund's ranking on the Risk and Reward Indicator.

Typically lower rewards, lower risk ← → **Typically higher rewards, higher risk**

1	2	3	4	5	6	7

The Sub-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 Sub-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 Sub-fund.
- In difficult market conditions, the value of some investments may be less predictable than normal and the Sub-fund may not be able to buy and sell these investments at the best time or at a fair price. This could affect the Sub-fund's performance, potentially reducing your returns.
- For further risk information please see the Prospectus.

Risk warning

An investment in a non-UCITS Retail Scheme Open-Ended Investment Company should be regarded as a medium to long-term investment. Investors should be aware that the price of shares and the revenue from them can fall as well as rise and investors may not receive back the full amount invested. Past performance is not a guide to future performance. Investments denominated in currencies other than the base currency are subject to fluctuation in exchange rates, which can be favourable or unfavourable.

Statement of Total Return

for the period ended 31 October 2024

	31.10.24		31.10.23	
	£	£	£	£
Income				
Net capital losses		(3,186,402)		(6,449,991)
Revenue	1,245,305		966,987	
Expenses	(90,071)		(64,948)	
Interest payable and similar charges	–		(55)	
Net revenue before taxation	1,155,234		901,984	
Taxation	(112,014)		(103,634)	
Net revenue after taxation		1,043,220		798,350
Total return before distributions		**(2,143,182)**		**(5,651,641)**
Distributions		(1,044,047)		(798,304)
Change in net assets attributable to Shareholders from investment activities		**(3,187,229)**		**(6,449,945)**

Statement of Change in Net Assets Attributable to Shareholders

for the period ended 31 October 2024

	31.10.24		31.10.23	
	£	£	£	£
Opening net assets attributable to Shareholders		**101,189,020**		**68,763,923**
Amounts receivable on issue of shares	38,487,183		19,575,471	
Less: Amounts payable on cancellation of shares	(8,735,212)		(7,519,776)	
		29,751,971		12,055,695
Change in net assets attributable to Shareholders from investment activities (see Statement of Total Return above)		(3,187,229)		(6,449,945)
Retained distributions on accumulation shares		312,590		155,036
Closing net assets attributable to Shareholders		**128,066,352**		**74,524,709**

The opening net assets attributable to Shareholders for the current period do not equal the closing net assets attributable to Shareholders for the comparative period as they are not consecutive periods.

Balance Sheet

as at 31 October 2024

	31.10.24		30.04.24	
	£	£	£	£
ASSETS				
Fixed assets				
Investments		**126,409,170**		**99,110,713**
Current assets				
Debtors	2,043,383		1,894,124	
Cash and bank balances	623,047		1,427,113	
Total current assets		**2,666,430**		**3,321,237**
Total assets		**129,075,600**		**102,431,950**
LIABILITIES				
Creditors				
Bank overdrafts	(615,633)		(55,524)	
Distribution payable	(146,138)		(940,438)	
Other creditors	(247,477)		(246,968)	
Total creditors		**(1,009,248)**		**(1,242,930)**
Total liabilities		**(1,009,248)**		**(1,242,930)**
Net assets attributable to Shareholders		**128,066,352**		**101,189,020**

Distribution Tables

for the period ended 31 October 2024

Income Share Distributions

Share class	Distribution	Shares	Net revenue p	Equalisation p	Distribution paid/payable 2024 p	Distribution paid 2023 p
A	First interim	Group 1	0.8629	–	0.8629	0.8896
		Group 2	0.2558	0.6071	0.8629	0.8896
	Second Interim	Group 1	0.1679	–	0.1679	0.2529
		Group 2	0.0978	0.0701	0.1679	0.2529
B*	First interim	Group 1	n/a	n/a	n/a	0.5077
		Group 2	n/a	n/a	n/a	0.5077
	Second Interim	Group 1	–	–	–	n/a
		Group 2	–	–	–	n/a

Accumulation Share Distributions

Share class	Distribution	Shares	Net revenue p	Equalisation p	Amount reinvested 2024 p	Amount reinvested 2023 p
A	First interim	Group 1	0.8692	–	0.8692	0.8720
		Group 2	0.2918	0.5774	0.8692	0.8720
	Second Interim	Group 1	0.1729	–	0.1729	0.2501
		Group 2	0.0943	0.0786	0.1729	0.2501
B**	First interim	Group 1	0.8401	–	0.8401	n/a
		Group 2	–	0.8401	0.8401	n/a
	Second Interim	Group 1	0.1135	–	0.1135	n/a
		Group 2	0.0636	0.0499	0.1135	n/a

*Launched on 9 May 2023, dis-invested on 8 August 2023 and reinvested on 11 October 2024.
**Launched on 17 April 2024.

First interim period: 01.05.24 - 31.07.24
Second Interim period: 01.08.24 - 31.10.24

Group 1: Shares purchased prior to a distribution period
Group 2: Shares purchased during a distribution period

Equalisation

Equalisation applies only to shares purchased during the distribution period (Group 2 shares). It represents accrued revenue included in the purchase price of the shares. After averaging, it is returned with the distribution as a capital repayment. It is not liable to income tax but must be deducted from the cost of the shares for capital gains tax purposes.

Investment Objective and Policy

for the period ended 31 October 2024

Investment Objective

The Sub-fund aims to achieve income and the potential for capital growth, net of charges, on a rolling five-year basis.

Investment Policy

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

The Sub-fund will invest directly or indirectly in UK and global fixed income securities, cash, near cash, money market instruments and permitted deposits in order to give exposure to a diversified portfolio of fixed interest holdings. The Sub-fund's exposure will be 60% or greater in UK conventional gilts, index-linked gilts and investment grade corporate bonds. The Sub-fund may additionally invest in global sovereign debt and sub-investment grade corporate bonds.

The Sub-fund's indirect investments will include collective investment schemes (which may include those that are managed or operated by the ACD or an associate of the ACD).

The Sub-fund may use derivative instruments for the purpose of Efficient Portfolio Management. The use of derivatives for this purpose may affect the risk profile of the Sub-fund although this is not the ACD's intention. The Sub-fund may use derivative instruments for investment purposes on the giving of 60 days' notice to Shareholders.

Investment Manager's Report

for the period ended 31 October 2024

Market Commentary

Central bank activity dominated market sentiment during the latter part of the period, overshadowing an eventful political backdrop that included a resounding Labour victory, a late change in the Democratic Presidential nominee and the disturbing assassination attempts on former President and Republican nominee Donald Trump. The Bank of England ('BoE') and Federal Reserve ('Fed') both announced their first-interest rate cuts in over four years, with the Fed lowering the target rate by 50 basis points at its September meeting, following the decision not to cut in July. Markets reacted positively, hitting new highs despite bouts of turbulence during the period, most notably in early August following weaker US jobs data. However, positive company earnings and the subsequent Fed action steadied the ship, leading to a strong close.

Economies continuing to fare relatively well has allowed rate-setters to keep interest rates firmly in restrictive territory for longer than many expected, providing ongoing downward pressure on inflation. While central bank heads are reticent to declare the battle against inflation won, there is a growing acceptance in their public remarks that concerns in this regard have been substantially alleviated and the focus has shifted more to an apparent aim to not stifle economic growth.

The BoE lowered rates in August, announcing a 25 basis point reduction to bring the base rate to 5.0%. The news came the day after the Bank of Japan delivered a hawkish hike and the Fed held its benchmark rate at a 23-year high and the day before a weak US jobs report sparked some consternation that central banks had once more fallen behind the curve and holding rates too high for too long would tip economies into recession.

Technical factors, such as the unwinding of carry trades — based on borrowing in Japan at near-zero interest rates to invest in higher-yielding assets, such as US tech stocks and emerging market currencies — appear to have exacerbated the declines, as the Japanese interest rate increase triggered a sharp yen appreciation and a rush for the exit.

Heading into the Fed's September meeting there was a widespread expectation that rates would be lowered, although the size of the move was far from certain. Ultimately, the Fed decided to go with a larger 50 basis point cut lowering the federal funds rate to 4.75%-5.00%, perhaps compensating for their lack of policy easing in the previous month.

The third quarter of 2024 saw a reversal of several trends from earlier in the year, with small-cap companies outperforming larger technology stocks and more lowly-valued segments of the market – such as utilities and property – gaining ground. Bonds also saw pleasing returns after a tough first half of the year, driven principally by rate cut expectations. However, October saw a reversal of this positive market sentiment, particularly across fixed interest markets, with investors assessing the potential implications of the US election. Closer to home, the UK budget also marked a significant change in the UK's fiscal position, with plans to increase government spending by approximately £70bn per year, funded by an additional £40bn from taxes and the balance from additional borrowing. Although markets were forewarned of many of the most important tax changes, there was a notable reaction in bonds, with yields pushing higher.

Investment Manager's Report

continued

Investment Review

During the six-month period to 31 October 2024, the A Income Class returned 3.20%* in GBP terms, outperforming its comparator benchmark, the iBoxx Sterling Overall Index which returned 2.03%~ in GBP terms.

The environment has been far from favourable throughout 2024 for fixed interest investments, with inflation concerns and a resilient global economy leading central banks to follow a slower and shallower rate-cutting path than previously anticipated. Nevertheless, pleasing returns were generated across the Sub-fund over the period, notably across the global investment grade credit and sterling investment grade bond holdings in Wellington Global Credit ESG and Royal London Sterling Credit.

Global credit and corporate bond holdings generally outperformed the broader index through Wellington Global Credit ESG, TwentyFour Strategic Income, a recent addition, and Royal London Sterling Credit, which benefitted from their exposure to subordinated financials. In addition Premier Miton Corporate Bond Monthly Income, another new holding, has also been a positive contributor to the Sub-fund over the period, given the management team has kept duration short for most of the year.

In contrast, UK Index-Linked Gilts and longer-duration Gilts negatively impacted relative performance throughout the period. Nevertheless, absolute returns remained positive and the long duration holdings continue to provide attractive yields.

Over the period we established a holding in Premier Miton Corporate Bond Monthly Income, which allocates investments across a diverse array of sterling investment grade bonds. We highly regard the management team, its proven track record, and the fund's proactive investment strategy. The funding for this move came from a reduction of the Sub-fund's positions in Royal London Sterling Credit and Vanguard UK Investment Grade Bond Index. Additionally, we began investing in TwentyFour Strategic Income to gain specialist exposure to segments of the bond market that yield higher returns. Finally, we took the decision to exit the Sub-fund's position in Federated Hermes Unconstrained Credit following the announcement that the lead portfolio manager was leaving.

Outlook

Donald Trump's historic victory has dominated investor sentiment in the immediate aftermath of the period, with his win marking only the second time the US has elected a president to non-consecutive terms. In the end, the result was decisive, with the Republican party completing the so-called 'trifecta' by sweeping both chambers of Congress and ensuring, at least on paper, limited opposition to policy plans over the next few years.

The initial market reaction has been quite clear, with US stocks up sharply, a rally in the US dollar, and an increase in US Treasury yields. Markets anticipate sizeable fiscal loosening, with the Trump administration expected to boost demand via a combination of tax cuts and government spending, while the imposition of more stringent tariffs would restrict the supply side of the economy. Together, these policies are seen as increasing inflation and government borrowing, suggesting higher interest rates next year than were previously expected. However, fluctuating assessments of the impact the new administration will have on the global economic and geopolitical landscape – which pledges can be placed firmly in the campaign rhetoric category, and which will translate into highly influential policy – will doubtless lead to some market volatility into, and beyond, January's Inauguration Day. While initial conclusions have been positive for US equities, much depends on whether the benefits of tax reductions and a lightening of companies' regulatory loads are overwhelmed by the negatives of a tariff-induced trade war, or the possibility of renewed inflationary pressures.

Fixed income – and specifically developed government bonds – has once again proved to be a more challenging area for investors this year. From a UK perspective, the recent budget and US election could have offsetting impacts. The higher borrowing announced in the Budget, and potentially stickier-than-expected inflation, would suggest the Bank of England may need to pursue a slower path of rate cuts. However, the imposition of sizeable US tariffs and the adverse impact that would have on UK growth suggests a potentially faster rate cutting trajectory. We continue to see the attractions of sovereign debt, given the historically tight spreads offered by corporate credit. Investors are being paid a relatively attractive return for owning developed government bonds, while we see them offering protection against both the prospect of a sharp recessionary environment or an unforeseen flare up in global tensions.

To summarise, we see active management playing an increasingly important role in 2025, and remain confident in our ability to navigate the challenges – and identify the opportunities – that will undoubtedly emerge throughout the year.

*Source: Financial Express December 2024. All figures to 31 October 2024

~Source: Data provided by FactSet

Portfolio Statement

as at 31 October 2024

Holding	Security	Market value £	% of total net assets 2024
	FINANCIALS 49.70% (49.83%)		
	Open-End and Miscellaneous Investment Vehicles 49.70% (49.83%)		
48,586,362	Premier Miton Corporate Bond Monthly Income - C Income*	35,205,678	10.00
43,495,323	Royal London Sterling Credit - Z Income*	52,759,826	14.98
274,626	TwentyFour Strategic Income*	25,990,630	7.38
372,513	Vanguard UK Investment Grade Bond - Institutional Plus GBP Distribution*	34,606,624	9.83
2,681,431	Wellington Global Credit ESG - G Q1 DisH GBP*	26,455,803	7.51
		175,018,561	49.70
	DEBT INSTRUMENTS 48.57% (47.97%)		
	Pound sterling denominated government debt securities 48.57% (47.97%)		
£1,828,000	European Investment Bank 0.75% 15.11.24	1,824,710	0.52
£28,622,427	UK Treasury 0.875% 22.10.29	24,483,910	6.95
£14,694,443	UK Treasury 0.125% Index-Linked 22.03.46	16,744,921	4.76
£18,262,574	UK Treasury 1.25% Index-Linked 22.11.32	34,205,538	9.71
£23,835,510	UK Treasury 1.50% 22.07.26	22,717,863	6.45
£21,219,179	UK Treasury 1.50% 22.07.47	11,539,414	3.28
£16,356,596	UK Treasury 1.625% 22.10.54	8,131,845	2.31
£17,180,511	UK Treasury 4.50% 07.09.34	17,282,048	4.91
£35,306,856	UK Treasury 4.50% 07.12.42	34,069,704	9.68
		170,999,953	48.57
	Investment assets	**346,018,514**	**98.27**
	Net other assets	**6,079,577**	**1.73**
	Net assets	**352,098,091**	**100.00**

All investments are ordinary shares or stock units on a regulated securities market unless otherwise stated. The percentages in brackets show the equivalent % holdings as at 30.04.24.

*Collective investment schemes permitted under COLL, not listed on any exchange.

Total purchases for the period: £130,490,128
Total sales for the period: £49,155,669

At the period end the Sub-fund did not hold shares in any of the other Sub-funds within the MI Quilter Cheviot Investment Funds.

Analysis of bonds by credit rating^	Market value £	% of total net assets 31.10.24	% of total net assets 30.04.24
Investment grade (BBB & above)	170,999,953	48.57	47.97

^Source: NTISL

Net Asset Value and Shares in Issue

Class	Net Asset Value	Shares in issue	Net Asset Value per share p	Operating Charges*
A Income	£253,004,521	335,202,565	75.48	0.25%
A Accumulation	£98,915,402	122,009,024	81.07	0.25%
B Income^	£88	90	98.01	0.41%
B Accumulation	£178,080	174,007	102.34	0.45%

^B Income reinvested 11 October 2024.

*Operating charges include indirect costs incurred in the maintenance and running of the Sub-fund, as disclosed (but not limited to) the detailed expenses within the Statement of Total Return. Included within this figure are the charges of the underlying Funds (synthetic ongoing charge). The figures used within this table have been calculated by annualising the expenses incurred against the average Net Asset Value for the accounting period.

On 01 September 2024 following a review of fees the Investment Manager is now charging 0.2% on the B Income and B Accumulation share classes.

Risk and Reward Profile

The Risk and Reward Indicator table demonstrates where the Sub-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 Sub-fund. The shaded area in the table below shows the Sub-fund's ranking on the Risk and Reward Indicator.

Typically lower rewards, lower risk ← → **Typically higher rewards, higher risk**

1	2	3	**4**	5	6	7

The Sub-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 Sub-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 Sub-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 Sub-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.

Risk warning

An investment in a non-UCITS Retail Scheme Open-Ended Investment Company should be regarded as a medium to long-term investment. Investors should be aware that the price of shares and the revenue from them can fall as well as rise and investors may not receive back the full amount invested. Past performance is not a guide to future performance. Investments denominated in currencies other than the base currency are subject to fluctuation in exchange rates, which can be favourable or unfavourable.

Statement of Total Return

for the period ended 31 October 2024

	31.10.24		31.10.23	
	£	£	£	£
Income				
Net capital gains/(losses)		954,351		(10,180,090)
Revenue	6,393,127		4,027,639	
Expenses	(147,898)		(99,827)	
Net revenue before taxation	6,245,229		3,927,812	
Taxation	–		–	
Net revenue after taxation		6,245,229		3,927,812
Total return before distributions		**7,199,580**		**(6,252,278)**
Distributions		(6,245,142)		(3,927,747)
Change in net assets attributable to Shareholders from investment activities		**954,438**		**(10,180,025)**

Statement of Change in Net Assets Attributable to Shareholders

for the period ended 31 October 2024

	31.10.24		31.10.23	
	£	£	£	£
Opening net assets attributable to Shareholders		**268,662,539**		**162,510,067**
Amounts receivable on issue of shares	103,717,094		75,952,804	
Less: Amounts payable on cancellation of shares	(23,047,122)		(20,074,536)	
		80,669,972		55,878,268
Change in net assets attributable to Shareholders from investment activities (see Statement of Total Return above)		954,438		(10,180,025)
Retained distributions on accumulation shares		1,811,142		798,198
Closing net assets attributable to Shareholders		**352,098,091**		**209,006,508**

The opening net assets attributable to Shareholders for the current period do not equal the closing net assets attributable to Shareholders for the comparative period as they are not consecutive periods.

Balance Sheet

as at 31 October 2024

	31.10.24		30.04.24	
	£	£	£	£
ASSETS				
Fixed assets				
Investments		**346,018,514**		**262,743,028**
Current assets				
Debtors	3,756,783		2,786,717	
Cash and bank balances	8,934,149		8,042,496	
Total current assets		**12,690,932**		**10,829,213**
Total assets		**358,709,446**		**273,572,241**
LIABILITIES				
Creditors				
Bank overdrafts	(2,590,696)		(1,523,711)	
Distribution payable	(2,643,072)		(2,594,258)	
Other creditors	(1,377,587)		(791,733)	
Total creditors		**(6,611,355)**		**(4,909,702)**
Total liabilities		**(6,611,355)**		**(4,909,702)**
Net assets attributable to Shareholders		**352,098,091**		**268,662,539**

Distribution Tables

for the period ended 31 October 2024

Income Share Distributions

Share class	Distribution	Shares	Net revenue p	Equalisation p	Distribution paid/payable 2024 p	Distribution paid 2023 p
A	First interim	Group 1	0.7647	–	0.7647	0.7258
		Group 2	0.2773	0.4874	0.7647	0.7258
	Second interim	Group 1	0.7885	–	0.7885	0.9032
		Group 2	0.3846	0.4039	0.7885	0.9032
B*	First interim	Group 1	n/a	n/a	n/a	0.4891
		Group 2	n/a	n/a	n/a	0.4891
	Second interim	Group 1	–	–	–	n/a
		Group 2	–	–	–	n/a

Accumulation Share Distributions

Share class	Distribution	Shares	Net revenue p	Equalisation p	Amount reinvested 2024 p	Amount reinvested 2023 p
A	First interim	Group 1	0.8140	–	0.8140	0.7303
		Group 2	0.3448	0.4692	0.8140	0.7303
	Second interim	Group 1	0.8383	–	0.8383	0.9535
		Group 2	0.3832	0.4551	0.8383	0.9535
B**	First interim	Group 1	0.9673	–	0.9673	n/a
		Group 2	0.4757	0.4916	0.9673	n/a
	Second interim	Group 1	1.0608	–	1.0608	n/a
		Group 2	0.7376	0.3232	1.0608	n/a

*Launched on 9 May 2023, dis-invested on 8 August 2023 and reinvested 11 October 2024.
**Launched 17 April 2024.

First interim period: 01.05.24 - 31.07.24
Second interim period: 01.08.24 - 31.10.24

Group 1: Shares purchased prior to a distribution period
Group 2: Shares purchased during a distribution period

Equalisation

Equalisation applies only to shares purchased during the distribution period (Group 2 shares). It represents accrued revenue included in the purchase price of the shares. After averaging, it is returned with the distribution as a capital repayment. It is not liable to income tax but must be deducted from the cost of the shares for capital gains tax purposes.

Investment Objective and Policy

for the period ended 31 October 2024

Investment Objective

The Sub-fund aims to achieve capital growth and income, net of charges, on a rolling five-year basis.

Investment Policy

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

The Sub-fund will invest at least 90% directly or indirectly, in shares of North American companies. The Sub-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 this but it is not expected to ever fall below 60%. North American companies are those that are domiciled, incorporated or have a significant portion of their business in North America, even if listed elsewhere.

The Sub-fund may also invest in other transferable securities, warrants, money market instruments, deposits and cash.

The Sub-fund's indirect investments will include collective investment schemes (which may include those that are managed or operated by the ACD or an associate of the ACD).

The Sub-fund may use derivative instruments for the purpose of Efficient Portfolio Management. The use of derivatives for this purpose may affect the risk profile of the Sub-fund although this is not the ACD's intention. The Sub-fund may use derivative instruments for investment purposes on the giving of 60 days' notice to Shareholders.

The Investment Manager's strategy for selecting investments and allocating to sectors is dynamic and will reflect its assessment of the market cycle.

Investment Manager's Report

for the period ended 31 October 2024

Market Commentary

Central bank activity dominated market sentiment during the latter part of the period, overshadowing an eventful political backdrop that included a resounding Labour victory, a late change in the Democratic Presidential nominee and the disturbing assassination attempts on former President and Republican nominee Donald Trump. The Bank of England ('BoE') and Federal Reserve ('Fed') both announced their first-interest rate cuts in over four years, with the Fed lowering the target rate by 50 basis points at its September meeting, following the decision not to cut in July. Markets reacted positively, hitting new highs despite bouts of turbulence during the period, most notably in early August following weaker US jobs data. However, positive company earnings and the subsequent Fed action steadied the ship, leading to a strong close.

Economies continuing to fare relatively well has allowed rate-setters to keep interest rates firmly in restrictive territory for longer than many expected, providing ongoing downward pressure on inflation. While central bank heads are reticent to declare the battle against inflation won, there is a growing acceptance in their public remarks that concerns in this regard have been substantially alleviated and the focus has shifted more to an apparent aim to not stifle economic growth.

The BoE lowered rates in August, announcing a 25 basis point reduction to bring the base rate to 5.0%. The news came the day after the Bank of Japan delivered a hawkish hike and the Fed held its benchmark rate at a 23-year high and the day before a weak US jobs report sparked some consternation that central banks had once more fallen behind the curve and holding rates too high for too long would tip economies into recession.

Technical factors, such as the unwinding of carry trades — based on borrowing in Japan at near-zero interest rates to invest in higher-yielding assets, such as US tech stocks and emerging market currencies — appear to have exacerbated the declines, as the Japanese interest rate increase triggered a sharp yen appreciation and a rush for the exit.

Heading into the Fed's September meeting there was a widespread expectation that rates would be lowered, although the size of the move was far from certain. Ultimately, the Fed decided to go with a larger 50 basis point cut lowering the federal funds rate to 4.75%-5.00%, perhaps compensating for their lack of policy easing in the previous month.

Notably, there has been a continued diversification of returns beyond information technology sectors benefiting from the Generative artificial intelligence ('AI') theme. Financials, industrials, and small-cap companies have delivered strong performance over the period, while lower-valued market segments, such as utilities and property, have also gained traction. Additionally, bonds experienced favourable returns following a challenging first half of the year, primarily driven by expectations of further rate cuts.

Investment Manager's Report

continued

Investment Review

During the six-month period to 31 October 2024, the A Income Class returned 9.36%* in GBP terms, underperforming its comparator benchmark, the MSCI North America Index which returned 11.02%~ in GBP terms.

From an attribution perspective, notable weakness was observed in the Sub-fund's stock selection within the Consumer Discretionary sector. Nike faced ongoing challenges despite implementing a strategic cost savings plan. Their quarterly earnings report showed weaker-than-expected figures, projecting a decline in revenue growth due to a slowdown in consumer demand.

Additionally, our selective investments in Health Care underperformed both the sector and the broader index. Specifically, our holdings in Thermo Fisher Scientific and Merck were notable contributors, with Merck experiencing a decline in share price due to concerns over weak vaccine demand in China. Moreover, our modest underweight allocation to Information Technology, which as a sector has had a strong 2024, led to relative underperformance.

Conversely, our investments in Communication Services, where certain holdings are also benefitting from the rise in generative AI, have positively contributed to the Sub-fund's performance, outperforming both the comparative sector and the broader benchmark. Netflix, Meta Platforms, and T-Mobile all generated strong returns over the period, with the latter two companies announcing increased investments in AI to enhance operational efficiency.

It was an active period in terms of trading the underlying names, we increased our position in NVIDIA at both the beginning and end of the period, where in May it occurred before the firm delivered another record earnings result. We also added to our position in Apple, divesting from Philip Morris, a tobacco company, and trimming our investment in Salesforce, a leader in cloud-based software solutions. The heightened optimism for Apple was reinforced by the surge in its stock value after revealing a collaboration with OpenAI to incorporate ChatGPT into its devices. We have reflected our upbeat sentiment regarding Apple's prospects by elevating its share in our portfolio.

Towards the end of the period, we increased the Sub-fund's holding in Amazon.com; this adjustment was partially financed by reducing our investment in Pfizer, though it continues to hold a substantial position within the Sub-fund. Additionally, we increased our position in global payments technology leader Visa after a strong earnings report, funding this by reducing our position in S&P Global, a company known for its ratings, data, and indices. We also increased our exposure in Netflix, which has positively contributed to performance so far this year, due to ongoing successful execution of its business model and raised guidance.

Lastly, we have decreased our investment in Taiwan Semiconductor Manufacturing Company ('TSMC'). While we remain confident in TSMC's potential, this decision was made to mitigate concentration risk from a strategic perspective.

Outlook

Donald Trump's historic victory has dominated investor sentiment in the immediate aftermath of the period, with his win marking only the second time the US has elected a president to non-consecutive terms. In the end, the result was decisive, with the Republican party completing the so-called 'trifecta' by sweeping both chambers of Congress and ensuring, at least on paper, limited opposition to policy plans over the next few years.

The initial market reaction has been quite clear, with US stocks up sharply, a rally in the US dollar, and an increase in US Treasury yields. Markets anticipate sizeable fiscal loosening, with the Trump administration expected to boost demand via a combination of tax cuts and government spending, while the imposition of more stringent tariffs would restrict the supply side of the economy. Together, these policies are seen as increasing inflation and government borrowing, suggesting higher interest rates next year than were previously expected. However, fluctuating assessments of the impact the new administration will have on the global economic and geopolitical landscape – which pledges can be placed firmly in the campaign rhetoric category, and which will translate into highly influential policy – will doubtless lead to some market volatility into, and beyond, January's Inauguration Day.

While initial conclusions have been positive for US equities, much depends on whether the benefits of tax reductions and a lightening of companies' regulatory loads are overwhelmed by the negatives of a tariff-induced trade war, or the possibility of renewed inflationary pressures. Although we remain cognisant of these headline influences, we continue to see a reasonable backdrop for continued earnings growth, and attractive thematic and individual opportunities in which to invest. We see active management playing an increasingly important role in 2025, and remain confident in our ability to navigate the challenges – and identify the opportunities – that will undoubtedly emerge throughout the year.

*Source: Financial Express December 2024. All figures to 31 October 2024

~Source: Data provided by FactSet

Portfolio Statement

as at 31 October 2024

Holding	Security	Market value £	% of total net assets 2024
	TECHNOLOGY 34.38% (31.03%)		
	Software and Computer Services 20.60% (21.39%)		
112,657	Alphabet A Class	14,878,832	2.02
20,888	Equinix	14,642,570	1.98
30,529	Intuit	14,379,209	1.95
67,433	Meta Platforms	29,547,309	4.00
181,094	Microsoft	56,821,756	7.70
52,453	Palo Alto Networks	14,587,921	1.98
31,925	Salesforce	7,181,831	0.97
		152,039,428	20.60
	Technology Hardware and Equipment 13.78% (9.64%)		
248,881	Apple	43,316,326	5.87
423,729	NVIDIA	43,364,404	5.88
101,117	Taiwan Semiconductor	14,882,136	2.03
		101,562,866	13.78
	TELECOMMUNICATIONS 2.07% (1.84%)		
	Telecommunications Service Providers 2.07% (1.84%)		
88,512	T-Mobile	15,248,480	2.07
	HEALTH CARE 10.30% (11.04%)		
	Medical Equipment and Services 4.75% (4.46%)		
201,845	Medtronic	13,910,455	1.88
50,138	Thermo Fisher Scientific	21,160,644	2.87
		35,071,099	4.75
	Pharmaceuticals and Biotechnology 5.55% (6.58%)		
258,757	Merck	20,428,395	2.77
315,420	Pfizer	6,891,059	0.93
98,723	Zoetis	13,627,113	1.85
		40,946,567	5.55
	FINANCIALS 13.27% (16.93%)		
	Finance and Credit Services 1.00% (1.75%)		
19,942	S&P Global	7,394,972	1.00
	Investment Banking and Brokerage Services 6.12% (5.65%)		
118,360	Ares Management	15,332,231	2.08
450,339	Bank of America	14,544,117	1.97
89,382	JPMorgan Chase	15,312,077	2.07
		45,188,425	6.12
	Open-End and Miscellaneous Investment Vehicles 2.35% (6.13%)		
10,219,929	Artemis Funds (Lux) - US Smaller Companies - I USD Accumulation*	14,017,774	1.90
75,706	iShares S&P 500 UCITS ETF - USD Distributing	3,336,583	0.45
		17,354,357	2.35
	Nonlife Insurance 3.80% (3.40%)		
11,911	Markel	14,187,326	1.92
82,209	Marsh & McLennan	13,849,636	1.88
		28,036,962	3.80

Portfolio Statement

continued

Holding	Security	Market value £	% of total net assets 2024
	CONSUMER DISCRETIONARY 12.12% (10.07%)		
	Media 3.05% (1.83%)		
38,516	Netflix	22,484,076	3.05
	Retailers 7.12% (6.60%)		
304,282	Amazon.com	43,737,747	5.93
147,776	Nike	8,802,195	1.19
		52,539,942	7.12
	Travel and Leisure 1.95% (1.64%)		
71,591	Marriot International	14,369,064	1.95
	CONSUMER STAPLES 2.82% (4.76%)		
	Beverages 1.93% (1.86%)		
281,852	Coca Cola	14,213,403	1.93
	Food Producers 0.89% (1.00%)		
124,110	Mondelez International	6,561,565	0.89
	INDUSTRIALS 14.68% (13.81%)		
	Construction and Materials 0.96% (0.89%)		
95,941	CRH	7,071,287	0.96
	Electronic and Electrical Equipment 3.87% (3.48%)		
173,339	Emerson Electric	14,489,315	1.96
68,576	Rockwell Automation	14,125,099	1.91
		28,614,414	3.87
	Industrial Support Services 5.99% (5.63%)		
123,845	Advanced Micro Devices	13,775,114	1.87
135,902	Visa Class A	30,419,211	4.12
		44,194,325	5.99
	Industrial Transportation 3.86% (3.81%)		
350,373	Canadian Pacific Kansas City	20,918,478	2.83
12,075	United Rentals	7,579,489	1.03
		28,497,967	3.86
	BASIC MATERIALS 2.85% (2.74%)		
	Chemicals 2.85% (2.74%)		
59,747	Linde	21,046,410	2.85
	ENERGY 3.88% (3.91%)		
	Oil, Gas and Coal 3.88% (3.91%)		
124,788	Chevron	14,335,827	1.94
159,198	Exxon Mobil	14,348,597	1.94
		28,684,424	3.88

Portfolio Statement

continued

Holding	Security	Market value £	% of total net assets 2024
	UTILITIES 1.89% (2.11%)		
	Electricity 1.89% (2.11%)		
228,518	Nextera Energy	13,980,382	1.89
	Investment assets	**725,100,415**	**98.25**
	Net other assets	**12,920,246**	**1.75**
	Net assets	**738,020,661**	**100.00**

All investments are ordinary shares or stock units on a regulated securities market unless otherwise stated. The percentages in brackets show the equivalent % holdings as at 30.04.24.

*Collective investment schemes permitted under COLL, not listed on any exchange.

Total purchases for the period: £206,296,685
Total sales for the period: £59,871,545

At the period end the Sub-fund did not hold shares in any of the other Sub-funds within the MI Quilter Cheviot Investment Funds.

Net Asset Value and Shares in Issue

Class	Net Asset Value	Shares in issue	Net Asset Value per share p	Operating Charges*
A Income	£519,239,640	390,967,079	132.81p	0.10%
A Accumulation	£184,855,564	150,365,860	122.94p	0.10%
A Accumulation USD	$35,536,353	29,397,908	120.88$c	0.30%
B Accumulation	£6,544,517	5,659,768	115.63p	0.30%

*Operating charges include indirect costs incurred in the maintenance and running of the Sub-fund, as disclosed (but not limited to) the detailed expenses within the Statement of Total Return. Included within this figure are the charges of the underlying Funds (synthetic ongoing charge). The figures used within this table have been calculated against the average Net Asset Value for the accounting period.

On 01 September 2024 following a review of fees the Investment Manager is now charging 0.2% on the B Income and B Accumulation share classes.

Risk and Reward Profile

The Risk and Reward Indicator table demonstrates where the Sub-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 Sub-fund. The shaded area in the table below shows the Sub-fund's ranking on the Risk and Reward Indicator.

Typically lower rewards, lower risk ← → **Typically higher rewards, higher risk**

1	2	3	4	5	**6**	7

The Sub-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 Sub-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 Sub-fund.
- In difficult market conditions, the value of some investments may be less predictable than normal and the Sub-fund may not be able to buy and sell these investments at the best time or at a fair price. This could affect the Sub-fund's performance, potentially reducing your returns.
- For further risk information please see the Prospectus.

Risk warning

An investment in a non-UCITS Retail Scheme Open-Ended Investment Company should be regarded as a medium to long-term investment. Investors should be aware that the price of shares and the revenue from them can fall as well as rise and investors may not receive back the full amount invested. Past performance is not a guide to future performance. Investments denominated in currencies other than the base currency are subject to fluctuation in exchange rates, which can be favourable or unfavourable.

Statement of Total Return

for the period ended 31 October 2024

		31.10.24		31.10.23
	£	£	£	£
Income				
Net capital gains		49,123,967		10,300,892
Revenue	3,800,095		2,579,514	
Expenses	(276,451)		(188,113)	
Net revenue before taxation	3,523,644		2,391,401	
Taxation	(486,589)		(293,668)	
Net revenue after taxation		3,037,055		2,097,733
Total return before distributions		**52,161,022**		**12,398,625**
Distributions		(3,036,432)		(2,097,659)
Change in net assets attributable to Shareholders from investment activities		**49,124,590**		**10,300,966**

Statement of Change in Net Assets Attributable to Shareholders

for the period ended 31 October 2024

		31.10.24		31.10.23
	£	£	£	£
Opening net assets attributable to Shareholders		**538,737,224**		**326,770,711**
Amounts receivable on issue of shares	207,686,109		85,424,144	
Less: Amounts payable on cancellation of shares	(58,449,323)		(44,719,569)	
		149,236,786		40,704,575
Change in net assets attributable to Shareholders from investment activities (see Statement of Total Return above)		49,124,590		10,300,966
Retained distributions on accumulation shares		922,061		418,418
Closing net assets attributable to Shareholders		**738,020,661**		**378,194,670**

The opening net assets attributable to Shareholders for the current period do not equal the closing net assets attributable to Shareholders for the comparative period as they are not consecutive periods.

Balance Sheet

as at 31 October 2024

	31.10.24		30.04.24	
	£	£	£	£
ASSETS				
Fixed assets				
Investments		**725,100,415**		**529,249,411**
Current assets				
Debtors	6,363,548		4,458,225	
Cash and bank balances	9,274,907		17,136,370	
Total current assets		**15,638,455**		**21,594,595**
Total assets		**740,738,870**		**550,844,006**
LIABILITIES				
Creditors				
Distribution payable	(1,118,948)		(1,060,607)	
Other creditors	(1,599,261)		(11,046,175)	
Total creditors		**(2,718,209)**		**(12,106,782)**
Total liabilities		**(2,718,209)**		**(12,106,782)**
Net assets attributable to Shareholders		**738,020,661**		**538,737,224**

Distribution Tables

for the period ended 31 October 2024

Income Share Distributions

Share class	Distribution	Shares	Net revenue	Equalisation	Distribution paid/payable 2024	Distribution paid 2023
A	First interim	Group 1	0.3410p	–	0.3410p	0.3235p
		Group 2	0.1272p	0.2138p	0.3410p	0.3235p
	Second interim	Group 1	0.2862p	–	0.2862p	0.3153p
		Group 2	0.1289p	0.1573p	0.2862p	0.3153p
B*	First interim	Group 1	n/a	n/a	n/a	0.1299p
		Group 2	n/a	n/a	n/a	0.1299p
	Second interim	Group 1	n/a	n/a	n/a	n/a
		Group 2	n/a	n/a	n/a	n/a

Accumulation Share Distributions

Share class	Distribution	Shares	Net revenue	Equalisation	Amount reinvested 2024	Amount reinvested 2023
A	First interim	Group 1	0.3142p	–	0.3142p	0.2945p
		Group 2	0.1403p	0.1739p	0.3142p	0.2945p
	Second interim	Group 1	0.2645p	–	0.2645p	0.2874p
		Group 2	0.1136p	0.1509p	0.2645p	0.2874p
A USD**	First interim	Group 1	0.3068$c	–	0.3068$c	n/a
		Group 2	0.1582$c	0.1486$c	0.3068$c	n/a
	Second interim	Group 1	0.2593$c	–	0.2593$c	n/a
		Group 2	0.0605$c	0.1988$c	0.2593$c	n/a
B	First interim	Group 1	0.2491p	–	0.2491p	0.1082p
		Group 2	–	0.2491p	0.2491p	0.1082p
	Second interim	Group 1	0.2049p	–	0.2049p	0.0950p
		Group 2	0.1111p	0.0938p	0.2049p	0.0950p

*Launched on 9 May 2023 and was dis-invested on 18 September 2023.
**Launched on 18 December 2023.

First interim period: 01.05.24 - 31.07.24
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The Sub-fund may also invest in other transferable securities, collective investment schemes, warrants, money market instruments, deposits and cash.

The Sub-fund's indirect investments will include collective investment schemes (which may include those that are managed or operated by the ACD or an associate of the ACD).

The Sub-fund may use derivative instruments for the purpose of Efficient Portfolio Management. The use of derivatives for this purpose may affect the risk profile of the Sub-fund although this is not the ACD's intention. The Sub-fund may use derivative instruments for investment purposes on the giving of 60 days' notice to Shareholders.

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for the period ended 31 October 2024

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Economies continuing to fare relatively well has allowed rate-setters to keep interest rates firmly in restrictive territory for longer than many expected, providing ongoing downward pressure on inflation. While central bank heads are reticent to declare the battle against inflation won, there is a growing acceptance in their public remarks that concerns in this regard have been substantially alleviated and the focus has shifted more to an apparent aim to not stifle economic growth.

The BoE lowered rates in August, announcing a 25 basis point reduction to bring the base rate to 5.0%. The news came the day after the Bank of Japan delivered a hawkish hike and the Fed held its benchmark rate at a 23-year high and the day before a weak US jobs report sparked some consternation that central banks had once more fallen behind the curve and holding rates too high for too long would tip economies into recession.

Technical factors, such as the unwinding of carry trades — based on borrowing in Japan at near-zero interest rates to invest in higher-yielding assets, such as US tech stocks and emerging market currencies — appear to have exacerbated the declines, as the Japanese interest rate increase triggered a sharp yen appreciation and a rush for the exit.

Heading into the Fed's September meeting there was a widespread expectation that rates would be lowered, although the size of the move was far from certain. Ultimately, the Fed decided to go with a larger 50 basis point cut lowering the federal funds rate to 4.75%-5.00%, perhaps compensating for their lack of policy easing in the previous month.

Investment Manager's Report

continued

The third quarter of 2024 saw a reversal of several trends from earlier in the year, with small-cap companies outperforming larger technology stocks and more lowly-valued segments of the market – such as utilities and property – gaining ground. Bonds also saw pleasing returns after a tough first half of the year, driven principally by rate cut expectations. However, October saw a reversal of this positive market sentiment, particularly across fixed interest markets, with investors assessing the potential implications of the US election. Closer to home, the UK budget also marked a significant change in the UK's fiscal position, with plans to increase government spending by approximately £70bn per year, funded by an additional £40bn from taxes and the balance from additional borrowing. Although markets were forewarned of many of the most important tax changes, there was a notable reaction in bonds, with yields pushing higher.

Investment Review

During the six-month period to 31 October 2024, the A Income Class returned 0.55%* in GBP terms, underperforming its comparator benchmark, the MSCI United Kingdom Index which returned 1.14%~ in GBP terms.

From an attribution perspective, positive relative and absolute returns resulted from the Sub-fund's exposure to the Communication Services sector. BT announced a new cost-cutting initiative led by its new CEO, which has improved the company's free cash flow projections. Furthermore, the company announced an increase in its dividend, culminating in a 17% rise in the stock price following the earnings call.

A notable factor that negatively impacted the Sub-fund's performance was the stock exposure within the Industrials sector. Notably IMI the global engineering company and Melrose Industries, where the latter experienced significant headwinds given investors' concerns surrounding the dislocation between the company's profit and cash flow management. Additionally, a combination of selection decisions and overall underweight allocation to Consumer Staples names contributed to relative underperformance.

Other factors affecting performance included exposure to the Energy sector through Shell & BP, with oil prices showing volatility due to events in the Middle East and reduced demand expectations from China. The latter revised output targets following negative trading statement releases, significantly impacting performance during the period. Additionally, exposure to Health Care, particularly the pharmaceutical segment as well as exposure to IT also detracted from performance.

Over the period we sold our position in consumer healthcare business Haleon. While we continue to look favourably upon the company, its strong branding and associated pricing power, we perceive there to currently be a ceiling for the share price caused by incremental selling by its largest shareholders, GSK and Pfizer. Using the proceeds we topped up our holding in Unilever, which has shown recent positive momentum.

We took profits on our long-standing holding in the private equity and venture capital company 3i. The position has been held since the inception of the Sub-fund in 2021 and has been a fantastic performer. Given its re-rating, however, and with the stock trading at a healthy premium to net asset value, we decided to trim the position and rotate the proceeds into another holding within the sector – Barclays – which trades at a notable discount to peers while showing strong progress on its new financial plan. We trimmed exposure to industrial equipment provider Ashtead, as equipment rental is more cyclical and sensitive to economic downturns.

We also introduced several new names to the Sub-fund prompted by the bidding activity that has taken place in the undervalued UK market. Firstly, we initiated a position in Bytes Technology, a value-added reseller (VAR) in software and computer services, circa 90% of the company's gross profits are derived from software products, with around 50% of their gross profits within software deriving from Microsoft. This makes it an appealing option for exposure to IT growth areas like cloud, generative AI, and cybersecurity. This was predominately funded by selling our stake in Darktrace prior to its delisting post-acquisition by Thoma Bravo.

Secondly, we divested our holding in DS Smith, which is nearing completion of its proposed merger with International Paper, the US-based paper and packaging company. We used the proceeds from the sale to increase our exposure to Segro. Segro is expanding and can generate 8% rental yields on their new projects – with the macro-economic backdrop for property improving, yields falling and property values stabilising, Segro should be well placed to benefit.

Lastly, we initiated a new position in Lancashire Holdings, a provider of global property insurance and reinsurance products. Lancashire Holdings demonstrates a strong balance sheet with robust solvency ratios, consistent increases in gross premiums, and an investment portfolio that has benefited from the reduction in interest rates. These factors are expected to contribute to stronger levels of profitability over the long term.

Investment Manager's Report

continued

Outlook

Donald Trump's historic victory has dominated investor sentiment in the immediate aftermath of the period, with his win marking only the second time the US has elected a president to non-consecutive terms. In the end, the result was decisive, with the Republican party completing the so-called 'trifecta' by sweeping both chambers of Congress and ensuring, at least on paper, limited opposition to policy plans over the next few years.

The initial market reaction has been quite clear, with US stocks up sharply, a rally in the US dollar, and an increase in US Treasury yields. Markets anticipate sizeable fiscal loosening, with the Trump administration expected to boost demand via a combination of tax cuts and government spending, while the imposition of more stringent tariffs would restrict the supply side of the economy. Together, these policies are seen as increasing inflation and government borrowing, suggesting higher interest rates next year than were previously expected. However, fluctuating assessments of the impact the new administration will have on the global economic and geopolitical landscape – which pledges can be placed firmly in the campaign rhetoric category, and which will translate into highly influential policy – will doubtless lead to some market volatility into, and beyond, January's Inauguration Day.

While initial conclusions have been positive for US equities, much depends on whether the benefits of tax reductions and a lightening of companies' regulatory loads are overwhelmed by the negatives of a tariff-induced trade war, or the possibility of renewed inflationary pressures. Although we remain cognisant of these headline influences, we continue to see a reasonable backdrop for continued earnings growth, and attractive thematic and individual opportunities in which to invest. We see active management playing an increasingly important role in 2025, and remain confident in our ability to navigate the challenges – and identify the opportunities – that will undoubtedly emerge throughout the year.

*Source: Financial Express December 2024. All figures to 31 October 2024

~Source: Data provided by FactSet

Portfolio Statement

as at 31 October 2024

Holding	Security	Market value £	% of total net assets 2024
	TECHNOLOGY 1.86% (2.49%)		
	Software and Computer Services 1.86% (2.49%)		
1,476,482	Bytes Technology	6,685,510	1.86
	TELECOMMUNICATIONS 1.87% (1.73%)		
	Telecommunications Service Providers 1.87% (1.73%)		
4,875,789	BT	6,740,778	1.87
	HEALTH CARE 11.21% (14.06%)		
	Pharmaceuticals and Biotechnology 11.21% (14.06%)		
273,347	AstraZeneca	30,182,976	8.38
732,305	GSK	10,193,686	2.83
		40,376,662	11.21
	FINANCIALS 29.39% (27.92%)		
	Banks 10.37% (7.93%)		
4,502,359	Barclays	10,693,103	2.97
2,659,669	HSBC	18,926,205	5.25
859,381	Standard Chartered	7,736,148	2.15
		37,355,456	10.37
	Finance and Credit Services 3.03% (2.64%)		
103,720	London Stock Exchange	10,900,972	3.03
	Investment Banking and Brokerage Services 2.92% (4.24%)		
114,578	3i	3,634,414	1.01
333,547	Intermediate Capital	6,871,068	1.91
		10,505,482	2.92
	Open-Ended and Miscellaneous Investment Vehicles 9.34% (9.50%)		
410,904	FTF Franklin UK Smaller Companies - S Income*	3,143,412	0.87
215,646	iShares Core FTSE 100 UCITS ETF - GBP Distributing	1,699,937	0.47
372,340	Janus Henderson UK Smaller Companies - I Accumulation*	3,939,357	1.08
795,815	Vanguard FTSE 250 UCITS ETF - GBP Distributing	24,920,947	6.92
		33,703,653	9.34
	Life Insurance 3.73% (3.61%)		
3,111,872	Legal and General	6,752,762	1.87
1,040,559	Prudential	6,705,362	1.86
		13,458,124	3.73
	Nonlife Insurance 0.88% (0.00%)		
505,019	Lancashire Holdings	3,186,670	0.88
	REAL ESTATE 2.79% (1.88%)		
	Real Estate Investment Trusts 2.79% (1.88%)		
1,281,775	SEGRO	10,064,497	2.79
	CONSUMER DISCRETIONARY 10.14% (9.55%)		
	Consumer Services 3.09% (2.92%)		
443,474	Compass	11,144,502	3.09

Portfolio Statement

continued

Holding	Security	Market value £	% of total net assets 2024
	Media 3.96% (3.73%)		
400,416	RELX	14,254,810	3.96
	Retailers 0.98% (1.00%)		
2,855,206	JD Sports Fashion	3,533,317	0.98
	Travel and Leisure 2.11% (1.90%)		
252,222	Whitbread	7,596,927	2.11
	CONSUMER STAPLES 11.69% (9.66%)		
	Beverages 3.78% (3.76%)		
567,839	Diageo	13,622,458	3.78
	Tobacco 2.96% (2.91%)		
396,012	British American Tobacco	10,668,563	2.96
	Personal Care, Drug and Grocery Stores 4.95% (2.99%)		
376,952	Unilever	17,829,830	4.95
	INDUSTRIALS 9.80% (11.76%)		
	Aerospace and Defense 3.99% (3.77%)		
555,243	BAE Systems	6,940,538	1.93
1,559,571	Melrose Industries	7,406,403	2.06
		14,346,941	3.99
	Electronic and Electrical Equipment 2.74% (2.67%)		
128,950	Halma	3,190,222	0.89
404,011	IMI	6,666,182	1.85
		9,856,404	2.74
	Industrial Support Services 2.06% (1.81%)		
196,861	Experian	7,433,471	2.06
	Industrial Transportation 1.01% (1.81%)		
62,685	Ashtead	3,628,208	1.01
	BASIC MATERIALS 6.12% (6.58%)		
	Industrial Metals and Mining 6.12% (6.58%)		
315,013	Anglo American	7,558,737	2.10
288,697	Rio Tinto	14,481,042	4.02
		22,039,779	6.12
	ENERGY 10.88% (10.74%)		
	Oil, Gas and Coal 10.88% (10.74%)		
2,698,165	BP	10,162,637	2.82
1,126,558	Shell	29,031,400	8.06
		39,194,037	10.88

Portfolio Statement

continued

Holding	Security	Market value £	% of total net assets 2024
	UTILITIES 1.85% (1.82%)		
	Gas, Water and Multi-utilities 1.85% (1.82%)		
379,013	SSE	6,674,419	1.85
	Investment assets	**354,801,470**	**98.48**
	Net other assets	**5,476,266**	**1.52**
	Net assets	**360,277,736**	**100.00**

All investments are ordinary shares or stock units on a regulated securities market unless otherwise stated. The percentages in brackets show the equivalent % holdings as at 30.04.24.

*Collective investment schemes permitted under COLL, not listed on any exchange.

Total purchases for the period: £92,201,598
Total sales for the period: £58,578,121

At the period end the Sub-fund did not hold shares in any of the other Sub-funds within the MI Quilter Cheviot Investment Funds.

Net Asset Value and Shares in Issue

Class	Net Asset Value	Shares in issue	Net Asset Value per share p	Operating Charges*
A Income	£241,357,625	222,809,318	108.32	0.11%
A Accumulation	£118,332,482	99,955,220	118.39	0.11%
B Income^	£89	93	95.70	0.27%
B Accumulation	£587,540	559,213	105.07	0.31%

^B Income reinvested 11 October 2024.

*Operating charges include indirect costs incurred in the maintenance and running of the Sub-fund, as disclosed (but not limited to) the detailed expenses within the Statement of Total Return. Included within this figure are the charges of the underlying Funds (synthetic ongoing charge). The figures used within this table have been calculated by annualising the expenses incurred against the average Net Asset Value for the accounting period.

On 01 September 2024 following a review of fees the Investment Manager is now charging 0.2% on the B Income and B Accumulation share classes.

Risk and Reward Profile

The Risk and Reward Indicator table demonstrates where the Sub-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 Sub-fund. The shaded area in the table below shows the Sub-fund's ranking on the Risk and Reward Indicator.

Typically lower rewards, lower risk						**Typically higher rewards, higher risk**
1	2	3	4	5	**6**	7

The Sub-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 Sub-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 Sub-fund.
- In difficult market conditions, the value of some investments may be less predictable than normal and the Sub-fund may not be able to buy and sell these investments at the best time or at a fair price. This could affect the Sub-fund's performance, potentially reducing your returns.
- For further risk information please see the Prospectus.

Risk warning

An investment in a non-UCITS Retail Scheme Open-Ended Investment Company should be regarded as a medium to long-term investment. Investors should be aware that the price of shares and the revenue from them can fall as well as rise and investors may not receive back the full amount invested. Past performance is not a guide to future performance. Investments denominated in currencies other than the base currency are subject to fluctuation in exchange rates, which can be favourable or unfavourable.

Statement of Total Return

for the period ended 31 October 2024

		31.10.24		31.10.23
	£	£	£	£
Income				
Net capital losses		(2,543,972)		(14,202,684)
Revenue	6,176,262		4,290,951	
Expenses	(169,705)		(142,506)	
Net revenue before taxation	6,006,557		4,148,445	
Taxation	–		–	
Net revenue after taxation		6,006,557		4,148,445
Total return before distributions		**3,462,585**		**(10,054,239)**
Distributions		(6,006,485)		(4,148,466)
Change in net assets attributable to Shareholders from investment activities		**(2,543,900)**		**(14,202,705)**

Statement of Change in Net Assets Attributable to Shareholders

for the period ended 31 October 2024

		31.10.24		31.10.23
	£	£	£	£
Opening net assets attributable to Shareholders		**329,685,611**		**263,751,082**
Amounts receivable on issue of shares	96,591,470		47,669,455	
Less: Amounts payable on cancellation of shares	(65,441,194)		(65,279,300)	
		31,150,276		(17,609,845)
Change in net assets attributable to Shareholders from investment activities (see Statement of Total Return above)		(2,543,900)		(14,202,705)
Retained distributions on accumulation shares		1,985,749		971,682
Closing net assets attributable to Shareholders		**360,277,736**		**232,910,214**

The opening net assets attributable to Shareholders for the current period do not equal the closing net assets attributable to Shareholders for the comparative period as they are not consecutive periods.

Balance Sheet
as at 31 October 2024

	31.10.24		30.04.24	
	£	£	£	£
ASSETS				
Fixed assets				
Investments		**354,801,470**		**323,725,918**
Current assets				
Debtors	3,205,939		3,384,012	
Cash and bank balances	5,530,271		6,037,775	
Total current assets		**8,736,210**		**9,421,787**
Total assets		**363,537,680**		**333,147,705**
LIABILITIES				
Creditors				
Distribution payable	(2,516,186)		(2,402,010)	
Other creditors	(743,758)		(1,060,084)	
Total creditors		**(3,259,944)**		**(3,462,094)**
Total liabilities		**(3,259,944)**		**(3,462,094)**
Net assets attributable to Shareholders		**360,277,736**		**329,685,611**

Distribution Tables

for the period ended 31 October 2024

Income Share Distributions

Share class	Distribution	Shares	Net revenue p	Equalisation p	Distribution paid/payable 2024 p	Distribution paid 2023 p
A	First interim	Group 1	0.7473	–	0.7473	0.6128
		Group 2	0.2397	0.5076	0.7473	0.6128
	Second interim	Group 1	1.1293	–	1.1293	1.0137
		Group 2	0.2648	0.8645	1.1293	1.0137
B*	First interim	Group 1	n/a	n/a	n/a	0.4266
		Group 2	n/a	n/a	n/a	0.4266
	Second interim	Group 1	–	–	–	n/a
		Group 2	–	–	–	n/a

Accumulation Share Distributions

Share class	Distribution	Shares	Net revenue p	Equalisation p	Amount reinvested 2024 p	Amount reinvested 2023 p
A	First interim	Group 1	0.8031	–	0.8031	0.6365
		Group 2	0.3178	0.4853	0.8031	0.6365
	Second interim	Group 1	1.2214	–	1.2214	1.0603
		Group 2	0.2325	0.9889	1.2214	1.0603
B**	First interim	Group 1	0.7378	–	0.7378	n/a
		Group 2	–	0.7378	0.7378	n/a
	Second interim	Group 1	1.0830	–	1.0830	n/a
		Group 2	–	1.0830	1.0830	n/a

*Launched on 9 May 2023, dis-invested on 8 August 2023 and reinvested on 11 October 2024.
**Launched on 17 April 2024.

First interim period: 01.05.24 - 31.07.24
Second interim period: 01.08.24 - 31.10.24

Group 1: Shares purchased prior to a distribution period
Group 2: Shares purchased during a distribution period

Equalisation

Equalisation applies only to shares purchased during the distribution period (Group 2 shares). It represents accrued revenue included in the purchase price of the shares. After averaging, it is returned with the distribution as a capital repayment. It is not liable to income tax but must be deducted from the cost of the shares for capital gains tax purposes.

General Information

Authorised Status

MI Quilter Cheviot Investment Funds (the 'Company') is structured as an Investment Company with Variable Capital ('ICVC'), under regulation 12 (Authorisation) of the OEIC Regulations (Open-Ended Investment Companies Regulations 2001 (SI 2001/1228)).

The Company does not intend to have an interest in immovable property.

The Company is authorised and regulated in the UK by the Financial Conduct Authority ('FCA') as a non-UCITS Retail Scheme under the COLL Sourcebook.

The Company was incorporated in England and Wales on 10 August 2021 under registration number IC046737. The Shareholders are not liable for the debts of the Company.

The Company currently has 8 Sub-funds, which are detailed below:

MI Quilter Cheviot Alternative Assets Fund
MI Quilter Cheviot Asian and Emerging Markets Equity Fund
MI Quilter Cheviot Conservative Fixed Interest Fund
MI Quilter Cheviot Diversified Returns Fund
MI Quilter Cheviot European Equity Fund
MI Quilter Cheviot Fixed Interest Fund
MI Quilter Cheviot North American Equity Fund
MI Quilter Cheviot UK Equity Fund

Head Office

Hamilton Centre, Rodney Way, Chelmsford, Essex CM1 3BY

Address for Service

The Head Office is the address in the United Kingdom for service on the Company of notices or other documents required or authorised to be served on it.

Base Currency

The base currency of the Company is Pounds Sterling.

Share Capital

The minimum share capital of the Company is £1 and the maximum is £100,000,000,000. Shares in the Company have no par value. The share capital of the Company at all times equals the sum of the Net Asset Value of the Sub-funds.

Classes of Shares

The Instrument of Incorporation allows the Company to issue different classes of shares in respect of any Sub-fund.

The Sub-funds currently have the following classes of shares available for investment:

	Share Class					
Sub-fund	A Inc GBP	A Inc USD	A Acc GBP	A Acc USD	B Inc GBP	B Acc GBP
MI Quilter Cheviot Alternative Assets Fund	✔	–	✔	–	✔	✔
MI Quilter Cheviot Asian and Emerging Markets Equity Fund	✔	–	✔	–	✔	✔
MI Quilter Cheviot Conservative Fixed Interest Fund	✔	–	✔	–	✔	✔
MI Quilter Cheviot Diversified Returns Fund	✔	–	✔	–	✔	✔
MI Quilter Cheviot European Equity Fund	✔	–	✔	–	✔	✔
MI Quilter Cheviot Fixed Interest Fund	✔	–	✔	–	✔	✔
MI Quilter Cheviot North American Equity Fund	✔	✔*	✔	✔	✔	✔
MI Quilter Cheviot UK Equity Fund	✔	–	✔	–	✔	✔

*This share class has no investment at the date of this report.

General Information

continued

The Company may issue both Income and Accumulation Shares.

Holders of Income shares are entitled to be paid the revenue attributable to such shares in respect of each annual accounting period in the currency of the relevant share class.

Holders of Accumulation shares are not entitled to be paid the revenue attributable to such shares, but that revenue is retained and accumulated for the benefit of Shareholders and is reflected in the price of shares.

Valuation Point

The scheme property of each Sub-fund will normally be valued at 12:00 on each dealing day for the purpose of calculating the price at which shares in each Sub-fund may be issued, sold, repurchased or redeemed.

For the purpose of the pricing of shares, a business day is defined as a day on which the dealing office of the ACD is open for the buying and selling of shares. The ACD may at any time during a business day carry out an additional valuation of the property of the Sub-fund if the ACD considers it desirable to do so, with the Depositary's approval.

Buying, Redeeming and Switching of Shares

The ACD will accept orders for the purchase, sale and switching of shares on normal business days between 08:30 and 16:30. Instructions to buy or sell shares may either be in writing to:

Hamilton Centre, Rodney Way, Chelmsford, Essex CM1 3BY
Or by telephone to:
0345 521 1006

The ACD has the right to establish facilities for recording telephone calls made or received on this telephone line.

A contract note giving details of the shares purchased will be issued no later than the next business day after the business day on which an application to purchase shares is received and instrumented by the ACD. Certificates will not be issued in respect of shares. Ownership of shares will be evidenced by an entry on the register of Shareholders.

Pricing Basis

There is a single price for buying, selling and switching shares for each share class in a Sub-fund which represents the Net Asset Value of the share class concerned. The share price is calculated on a forward pricing basis, that is at the next Valuation Point after the purchase or redemption is deemed to be accepted by the ACD.

The prices of shares are published daily on www.fundrock.com. Neither the Company nor the ACD can be held responsible for any errors in the publication of the prices. The shares in each Sub-fund will be issued and redeemed on a forward pricing basis which means that the price will not necessarily be the same as the published price.

Other Information

The Instrument of Incorporation, Prospectus, Key Investor Information Document and the most recent interim and annual reports may be inspected at the office of the Company which is also the Head Office of the Company. Copies may be obtained free of charge upon application. They are also available from the website of the Company, the details of which are given in the directory of this report.

Shareholders who have complaints about the operation of the Company should in the first instance contact the ACD, or, following that, may make their complaint direct to the Financial Ombudsman Service, Exchange Tower, London E14 9SR.

Task Force on Climate-Related Financial Disclosures ('TCFD')

The ACD is required to publish a public TCFD product report in respect of each Sub-fund. The report is designed to provide investors with transparency into their portfolios' climate-related risks and opportunities according to the recommendations from the TCFD and aims to help investors understand their exposure to these risks and opportunities.

Reports for each Sub-fund are published on www.fundrock.com/mi-funds/ and can be found under Task Force on Climate-Related Financial Disclosures ('TCFD') by selecting the relevant Fund Manager and Sub-fund.

Significant Information

The ACD has assessed implications of current world geopolitical tensions and conflicts. The current crises have and will have a wider impact in terms of market performance.

Risk Warning

An investment in a non-UCITS Retail Scheme Open-Ended Investment Company should be regarded as a medium to long-term investment. Investors should be aware that the price of shares and the revenue from them can fall as well as rise and investors may not receive back the full amount invested. Past performance is not a guide to future performance. Investments denominated in currencies other than the base currency are subject to fluctuation in exchange rates, which can be favourable or unfavourable.

APEX

FUND ROCK

Apex Fundrock Limited

Registered in England No 6252939. Authorised and regulated by the Financial Conduct Authority.