

MI Charles Stanley Investment Funds II

Value Assessment 2024

Reporting End Period 31st January 2024



Introduction to the ACD Assessment of Value

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

Value Assessment Criteria

AFM Costs

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

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

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

Quality of Service

The range and quality of services provided to shareholders.

Performance

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

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



Economies of Scale

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

Comparable Market Rates

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

by the ACD; or

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

Comparable Services

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

Classes of Shares

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



AFM Costs - Fees & Services Chargeable to the Fund

Fees and Services of the Authorised Corporate Director

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

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

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

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

Fees and Services of the Fund Administrator

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

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

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

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

Fees and Services of the Depositary and Custodian

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

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

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



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

Fees and Services of the Auditor

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

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

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



Fees and Services of the Investment Manager

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

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

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



Fund Performance

Overview of the criteria used to assess Value regarding Fund Performance

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

MI Charles Stanley Equity Fund

Sub-Fund Overall Value Assessment score 31st January 2024

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

Good

Sub-Fund Performance 31st January 2024

The last 12 months the Apex MI Charles Stanley Equity Fund has significantly outperformed the median fund in the IA UK All Companies sector. The prior year the Fund had suffered from being underweight large cap stocks, especially Energy but these positions benefitted the Fund in the year to January. The longer term performance of the Fund is very good compared to its peer group.

The Fund also references the Morningstar UK TR Index. If the Fund is compared to this index then it has outperformed over one and five years but has not matched the index over three years.

1 Year	Good
3 Years	Fair
5 Years	Good

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

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

General Market Commentary & Outlook

Equity markets started 2024 on a positive note, January saw the S&P 500 and Dow Jones Industrial Average hit a series of new record highs. Gains were driven by a shift in the policy guidance from the Federal Reserve (Fed), the US central bank.

Following the most aggressive hiking cycle in financial history, the Fed held interest rates steady at its December meeting but indicated in new economic projections that the tightening of American monetary policy is at an end – with interest rate cuts coming in 2024. The message was significantly more dovish than many investors were expecting. The central bank's view is now more aligned with that of investors – although markets remain more optimistic in their outlook.

Despite the previous increases in interest rates, US economic growth remains strong. Although it slowed in the final three months of 2023, it fell by significantly less than had been expected. US gross domestic product (GDP) – a broad measure of economic health – grew at an annual rate of 3.3% in the final quarter of the year, down from 4.9% in the previous quarter. This was well ahead of the 2% economists had expected.



The FTSE 100 has also rallied strongly since November, but its performance in January was subdued compared with other indices. The index's lack of technology companies resulted in a pedestrian rally when compared with Wall Street.

It is also expected that the Bank of England has now finished its series of interest-rate rises. This follows fourteen consecutive increases in the cost of borrowing, which started in December 2021. The annual rate of UK inflation has slowed sharply and is expected to continue to fall in the coming months. The UK base rate is now at its highest level in 15 years. Many homeowners still need to remortgage at these higher levels – a move that will continue to put pressure on consumer confidence, but the cost of new mortgages has fallen with the interest-rate outlook.

European markets caught up with some of the strength seen in the US. This was helped by some strong earnings from major companies, but also the interpretation that the discussion at the latest European Central Bank (ECB) meeting was more dovish than expected. Its president, Christine Lagarde, did not push back on current market expectations at the press conference following the announcement.

Chinese equities continued to be weak as the country's property crisis accelerated – and failed to participate in the global market rally despite a good performance in other emerging markets. Problems in China's property market are having a major impact as the sector accounts for a third of the economy. A court in Hong Kong ordered the liquidation of debt-laden Chinese property giant Evergrande after the troubled developer repeatedly failed to come up with a plan to restructure its debts.

On the geopolitical front, there appeared to be some progress on healing the fractured relationship between Washington and Beijing. US President Joe Biden and Chinese President Xi Jinping held a face-to-face meeting for the first time in a year and agreed to resumption of military-to-military communication amid efforts to normalise ties. However, restrictions remain on US companies selling cutting edge technology to China – particularly in the chip sector.

The conflicts in the Middle East continue to be unresolved. A short ceasefire in the Israel-Hamas conflict ended after less than a week and the situation remains tense. Attacks by Houthi forces on shipping has resulted in many tankers and container ships avoiding the Red Sea area and this has resulted in a rise in oil prices. The Russia-Ukraine war continues, with little signs of a resolution any time soon.

Market participants now think the US can engineer a soft landing and get inflation down without too much additional economic damage. The dovish tone of officials at the central bank indicate they may believe that too. The UK is expected to keep interest rates "higher for longer" to curb inflation, which will impede economic growth. However, if a recession emerges, it is expected to be shallow.

The Sub-fund posted a +7.4% total return over the last six months compared to +1.2% total return for the Morningstar UK index and +1.9% total return for the IA UK All Companies peer group. Over the full year period the Sub-fund returned +9.3% against a +1.8% return for the Morningstar Index and +1.9% return for the IA UK All Companies peer group. (Source: Financial Express Analytics, B Accumulation as at 31 January 2024, pounds sterling, net income re-invested).

Within the Sub-fund and over the last year to end January 2024, the sectors that were the largest contributors to the total return were: Financials, Industrials and Consumer Discretionary with respective total returns of +29.5%, +14.0% and +27.21%. The largest detractors were: Materials, Information Technology and Consumer Staples which returned -17.5%, -15.2% and -0.7% respectively. These performances are not surprising as the UK 10 year government bond yield reached its highest level since October 2008 at +4.7%. As a result, interest rate sensitive sectors underperformed.

At the holding level, the largest contributors were: 3i, Allianz Technology and RELX with respective total returns of +61.8%, +45.3% and +38.8%.

Firstly, focusing on what went well. Listed private equity company 3i performance was almost entirely driven by its £12.9bn stake in rapidly growing Dutch discount retailer Action. Management said the company remained on track to meet its 2024 dividend target of 11.9p per share, representing a 6.7% increase from the prior year's distribution.

The team behind Allianz Technology are based in San Francisco, in close proximity to many of the world's leading tech companies. Sentiment towards the sector remains positive due to the considerable hype around Artificial Intelligence ('AI') and the growth opportunities. Recent performance has benefitted from Monolithic Power Systems, a provider of semiconductor-based power electronics solutions, the avoidance of Tencent in China and exposure to HubSpot, a cloud-based customer relationship management platform.

Publisher RELX said it remained on track to meet full-year guidance and it still expects underlying growth to be above historical levels again in 2024. Its underlying revenues have grown 8% over the first nine months of the year. Its smallest business, Exhibitions, was the star performer growing 32%, with event revenues remaining above pre-pandemic levels. Management also bumped up margin guidance for its smaller events business. The company's performance continues to be boosted by its three larger divisions – risk, legal and science – and a recovery at the pandemic-hit events business.



Conversely, the names that hampered returns were: Spirent Communications, Croda International and Rentokil Initial with -44.0%, -29.0% and -15.7% total return respectively.

Spirent Communications shares slumped after the telecommunications business issued a full-year profit warning, with revenues now expected to fall by a fifth. Management said the telecommunications market was "extremely challenged at this time" and Chinese spending had reduced.

Spirent Communications said its largest customers were delaying spending and technology investment, leading it to cut its outlook for the near term because negative operating leverage would impact operating profit for the year "very materially". Following their first warning back in January 2023, we trimmed the position and kept an underweight exposure. We believe the business is not 'broken', but rather going through temporary operating volatility. The end markets and drivers (5G, High Speed Internet, IoT, Metaverse) remain attractive over the longer term and we are ready to add to our position once we see green shoot appearing.

Croda International issued its second profit warning this year in October, blamed on a difficult global economic backdrop. The speciality chemicals company warned it now expects full year 2023 adjusted pre-tax profits to be 'between £300m and £320m', a significant downgrade from the previous £370m to £400m guidance range. Management said sales volumes in its Consumer Care unit have been falling as customers ran down their stocks. Price rises put through in 2022 and favourable foreign exchange movements only partially offset the drop in volumes. Management's priorities remain unchanged, with profit growth targeted through investment in its fastergrowing, niche markets – while expanding margins at its other, more mature divisions. Here again we were active in our exposure management as we trimmed following the first profit warning last June. We believe China is a key catalyst for a rerating and we expect that the second half of 2024 should see a macro recovery acting as a tailwind for the stock.

Hygiene and pest control group Rentokil Initial saw its shares fall sharply after the company revealed it expects its biggest market, North America, to record full-year performance slightly below previous guidance due to softer consumer demand for its pest control and hygiene services. In 2022, Rentokil Initial bought US rival Terminix, propelling it to be the leading pest control business in North America. The share-price decline came despite a 53% jump in revenue year on year to £1.4bn in the three months to September. That followed an almost 70% increase in first-half revenues. At the group level, Rentokil Initial still expects "good" growth in the rest of 2023 and to deliver results "broadly in line" with current expectations. We continue to see pest control as a long-term growth industry due to urbanisation, rising prosperity and global warming and increased investor concerns on end market resilience as overdone. The recent weakness in the industry is likely temporary, with history suggesting that pest control is resilient but not immune from macro and consumer headwinds. We see potential for broader US macro sentiment to provide support later in the year.

Besides tactically trimming our exposure to Spirent Communications and Croda International, we added to FRP Advisory as we expect an improving market backdrop, with administration volumes almost back to pre-pandemic levels and underlying market share gains for the company. We also trimmed a few other holdings that performed strongly to manage cash flows within the Sub-fund

MI Charles Stanley Equity Fund

Fund Information

Key Investor Information

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



MI Charles Stanley Equity Fund ("the Fund") A Accumulation Shares

This is a sub fund of MI Charles Stanley Investment Funds II. The Fund is an Open Ended Investment Company.
ISIN: GB00B09DHH53.
Apex Fundrock Ltd is the Authorised Corporate Director of the Fund ("MI" and "MI Funds" are trading names of the ACD).

Objectives and investment policy

The Fund aims to generate capital growth from a portfolio consisting predominantly of companies which form part of the Morningstar UK GR Index. The portfolio will concentrate on the larger constituents of the Morningstar UK GR Index.

The Fund is actively managed and the investment manager has discretion to select its investments. The Fund aims to outperform its benchmark, which is the Morningstar UK GR Index, although there is no guarantee that this will be achieved. Companies are selected on a "bottom up" approach with careful stock selection the key.

The Fund may also invest in collective investment schemes, bonds (which are like loans that pay a fixed or variable rate of interest issued by companies and governments) and money market instruments and cash.

The Fund will only use derivatives (financial instruments whose value is linked to the rise and fall of other assets) for the purposes of efficient portfolio management, with the aim of managing risk and cost.

Any income this share class generates will be reinvested to grow the value of your investment.

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

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

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

Risk and reward profile

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



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

MI Charles Stanley Equity Fund

Fund Information



Charges

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

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

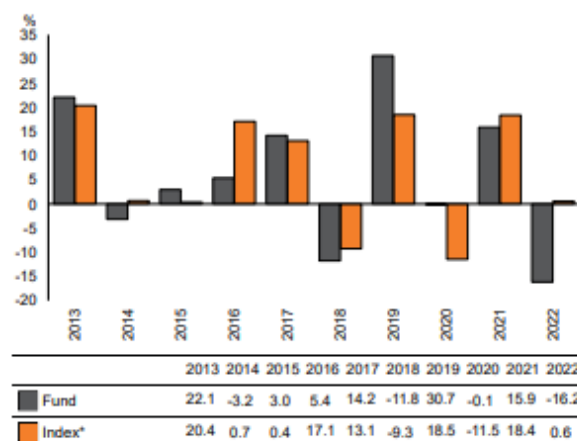
These are the maximum charges that we might take out of your money before it is invested and before we pay out the sale proceeds of your investment. In some cases, you might pay less and you should speak to your financial adviser about this.

Charges taken from the Fund over a year	
Ongoing charges	0.25%

Charges taken from the Fund under specific conditions	
Performance fee	NONE

- The ongoing charges figure is based on the last year's expenses and may vary from year to year. It excludes the costs of buying or selling assets for the Fund (unless these assets are shares of another fund).
- For the ongoing charge, the figure is as at 31 January 2023.
- The actual ongoing charges figure as at 31 January 2023 is 0.36% and includes investment management fees of 0.00% and synthetic ongoing charges of 0.05%. The remaining ongoing charges of the Fund being 0.31% are capped at 0.20% until at least 31 January 2024. The effective ongoing charges figure as at 31 January 2023 is 0.25%.
- The ongoing charge also includes the expenses incurred by the investment schemes held by the Fund.
- You may also be charged a dilution levy on entry to or exit from the Fund, this is to cover costs associated with your transaction.
- For more information about charges, please see the prospectus.

Past performance



- You should be aware that past performance is not a guide to future performance.
- Fund launch date: 13/03/2006.
- Share/unit class launch date: 13/03/2006.
- Performance is calculated in GBP.
- * Morningstar UK

Practical information

- This document is issued by Apex Fundrock Ltd and contains information on the Accumulation Shares only ("MI" and "MI Funds" are trading names of the ACD).
- These shares are only available to Shareholders of these shares who held shares in this class on 1 September 2018 and to specific clients of Charles Stanley & Co Ltd and at the discretion of the ACD, other persons.
- Each fund of the Company has its own pool of assets and liabilities, segregated by law. If one fund were unable to pay for its liabilities the assets of the other funds could not be used to pay for those liabilities.
- You can get further detailed information regarding the Fund, including details of the investment manager and how to switch, buy and sell shares and other share classes available, within the prospectus, the supplementary information document and the annual and half yearly managers' reports. You can get these free of charge from Apex Fundrock Ltd, Hamilton Centre, Rodney Way, Chelmsford, Essex CM1 3BY or from our website: www.fundrock.com. These are available in English only. You can also call us on 0345 308 1456, or look on our website for the latest share prices.
- Details of the ACD's remuneration policy (including a description of how remuneration and benefits are calculated, the composition of the remuneration committee and the identities of persons responsible for awarding remuneration and benefits) are available at www.fundrock.com/mi-fund-data or by requesting a paper copy free of charge (see above for contact details).
- The Depository of the Fund is Northern Trust Investor Services Limited.
- Please note that the tax laws of the United Kingdom may impact your own tax position.
- Apex Fundrock Ltd may be held liable solely on the basis of any statement contained in this document that is misleading, inaccurate or inconsistent with the relevant parts of the prospectus for the Fund.

MI Charles Stanley Monthly High Income Fund

Sub-Fund Overall Value Assessment score 31st January 2024

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

Good

Sub-Fund Performance 31st January 2024

The Apex MI Charles Stanley Monthly High Income Fund has consistently performed better than the median fund in the IA Mixed Investment 0-35% equities sector. Over one and five years the Fund is in the top quartile of comparable funds and the second quartile over three years. The Fund also has a stated objective of generating a high and sustainable yield. The Fund yields over 5% and therefore this objective has certainly been met. This yield places it in the top decile of funds in the IA Mixed Investment 0-35% equities sector.

1 Year	Good
3 Years	Good
5 Years	Good

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

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

General Market Commentary & Outlook

Equity markets started 2024 on a positive note, January saw the S&P 500 and Dow Jones Industrial Average hit a series of new record highs. Gains were driven by a shift in the policy guidance from the Federal Reserve ('Fed'), the US central bank.

Following the most aggressive hiking cycle in financial history, the Fed held interest rates steady at its December meeting but indicated in new economic projections that the tightening of American monetary policy is at an end – with interest rate cuts coming in 2024. The message was significantly more dovish than many investors were expecting. The central bank's view is now more aligned with that of investors – although markets remain more optimistic in their outlook.

Despite the previous increases in interest rates, US economic growth remains strong. Although it slowed in the final three months of 2023, it fell by significantly less than had been expected. US gross domestic product ('GDP') – a broad measure of economic health – grew at an annual rate of 3.3% in the final quarter of the year, down from 4.9% in the previous quarter. This was well ahead of the 2% economists had expected.

The FTSE 100 has also rallied strongly since November, but its performance in January was subdued compared with other indices. The index's lack of technology companies resulted in a pedestrian rally when compared with Wall Street.

It is also expected that the Bank of England has now finished its series of interest-rate rises. This follows fourteen consecutive increases in the cost of borrowing, which started in December 2021. The annual rate of UK inflation has slowed sharply and is

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expected to continue to fall in the coming months. The UK base rate is now at its highest level in 15 years. Many homeowners still need to remortgage at these higher levels – a move that will continue to put pressure on consumer confidence, but the cost of new mortgages has fallen with the interest-rate outlook.

European markets caught up with some of the strength seen in the US. This was helped by some strong earnings from major companies, but also the interpretation that the discussion at the latest European Central Bank (ECB) meeting was more dovish than expected. Its president, Christine Lagarde, did not push back on current market expectations at the press conference following the announcement. Chinese equities continued to be weak as the country's property crisis accelerated – and failed to participate in the global market rally despite a good performance in other emerging markets. Problems in China's property market are having a major impact as the sector accounts for a third of the economy. A court in Hong Kong ordered the liquidation of debt-laden Chinese property giant Evergrande after the troubled developer repeatedly failed to come up with a plan to restructure its debts. On the geopolitical front, there appeared to be some progress on healing the fractured relationship between Washington and Beijing. US President Joe Biden and Chinese President Xi Jinping held a face-to-face meeting for the first time in a year and agreed to resumption of military-to-military communication amid efforts to normalise ties. However, restrictions remain on US companies selling cutting edge technology to China – particularly in the chip sector.

The conflicts in the Middle East continue to be unresolved. A short ceasefire in the Israel-Hamas conflict ended after less than a week and the situation remains tense. Attacks by Houthi forces on shipping has resulted in many tankers and container ships avoiding the Red Sea area and this has resulted in a rise in oil prices. The Russia-Ukraine war continues, with little signs of a resolution any time soon.

Market participants now think the US can engineer a soft landing and get inflation down without too much additional economic damage. The dovish tone of officials at the central bank indicate they may believe that too. The UK is expected to keep interest rates "higher for longer" to curb inflation, which will impede economic growth. However, if a recession emerges, it is expected to be shallow.

For the half year ending 31 January 2024 the Sub-fund delivered a +6.9% total return against +3.7% for the IA Mixed Investment 0-35% peer group. For the full year period the Sub-fund delivered a +4.4% total return against +2.7% for the IA Mixed Investment 0-35% peer group. (Source: Financial Express Analytics, C Income shares, as at 31 January 2024, pounds sterling, net income re-invested).

Within the Sub-fund and over the last year to end of January 2024, the allocations that were the largest contributors to the total return were: Investment Grade Bonds, UK Equities and High Yield Bonds with respective total returns of +8.3%, +12.6% and +7.8%. The largest detractors were: Infrastructure funds, Property funds and Asia Pacific ex Japan Equities which returned -11.1%, -16.1% and -7.3% respectively. The underperformance for these long duration allocations was not surprising as the UK 10 year Government Bond reached its highest yield level since October 2008 at +4.7%. It is worth highlighting that prudent duration positioning coupled with our direct bond selection has been a tailwind to the Fixed Income allocation which returned +8.0% over the period, ahead of Equities +6.5% and Alternatives -10.2%.

At the holding level, the largest contributors were: 3i, BAE Systems and Taylor Wimpey with respective total returns of +61.8%, +41.2% and +37.2%.

Firstly, focusing on what went well. Listed private equity company 3i performance was almost entirely driven by its £12.9bn stake in rapidly growing Dutch discount retailer Action. Management said the company remained on track to meet its 2024 dividend target of 11.9p per share, representing a 6.7% increase from the prior year's distribution.

Another good operational performance in the third quarter of the year leaves BAE Systems on track to meet previously raised guidance. A highlight is momentum on orders, with the defence giant securing awards worth a further £10bn since the half year. This brings the total so far this year to about £30bn, which is not far off last year's record order intake of £37bn. Overall, BAE Systems remains on course for another year of good sales and earnings growth, together with strong cash flow generation. It continues to benefit from a global footprint and diversified portfolio that is well placed to capitalise on heightened geopolitical conflict.

Taylor Wimpey indicated that there were signs of some stabilisation in the UK housing market in its November update. Management said it expected annual operating profits of close to £470m, the high end of its guidance. However, this would still be down almost 50% from record levels in 2022. The company credited the good news on profits to cost discipline and careful management of supply to match demand and make sure the company did not have to "cut prices in order to liquidate".

Conversely, the names that hampered returns were: HICL Infrastructure, Regional REIT and Foresight Solar with -17.8%, -42.6% and -13.1% total return respectively.

HICL Infrastructure's primary aim is to deliver investors predictable and sustainable dividends, derived from long-term investments in underlying infrastructure projects. In November HICL announced their interim results, including Net Asset Value ('NAV') per share dropping 3.3% over the period. Management commented that the portfolio performed in line with expectations. The most significant detractor from NAV was an increase in the portfolio's weighted average discount rate from 7.2% to 8.0%, reflecting higher market return requirements. The trust continues to trade at a wide discount to its reported NAV. We believe the underlying asset mix is of good quality with inflation linked cash flows and that the temporary underperformance is largely driven by market volatility coming from the UK Gilt curve derating.



Regional REITs commercial property portfolio is wholly in the UK and comprises, predominantly, quality offices and light industrial units located in the regional centres of the UK outside of the M25 motorway. The portfolio is highly diversified, amounting to 150 properties with more than 1,000 tenants. It is actively managed with a strong focus on income returns and, since listing in November 2015, it has consistently provided one of the highest yields across the UK commercial property market. Despite a continuing challenging environment, the trust continues to have a strong leasing performance offsetting the inflationary headwind. The derating in the UK Gilt curve has led to a valuation decline resulting in the Loan To Value (LTV) of 55.1%. The manager indicated that he has "a plan to reduce LTV to the long term target of 40% through selective sales and repayment of debt". Cognisant of the issues, we trimmed the position throughout the year. We also hold the Regional REIT 4.5% 06.08.24 bond which has not been immune to the distress seen in the trust but has returned +2.4% over the period.

Foresight Solar invests predominantly in UK solar projects, plus some international solar exposure (Australia, Spain). Significant volatility in inflation, interest rates and power prices in recent years has translated into a volatile share price for Foresight Solar. Last year saw a decline in expected power prices, but the trust has hedged much of its power price exposure for the next two years so was well insulated from an underlying cashflow perspective. The trust's discount remains wide and this has led to the Board repeatedly buying back stock. A Q3 NAV update noted that the trust has begun its divestment programme which will continue into 2024. We continue to like the exposure to solar farms as assets have inflation linked cash flows.

Despite some spread tightening, the fixed income market has continued to offer good value throughout the year. Therefore, we added new bonds to lock in these attractive levels of yield whilst having the potential for capital return as the purchase price was below par. We also wanted to balance the return profile by keeping a yield above 4% whilst having capital appreciation potential rather than only having a much higher yield but without capital upside.

Purchases included:

ABN AMRO 5.1250% 22.02.28 at 94p gave an expected total return of 6.6% per year. The bond is investment grade rated BBB+. ABN AMRO is primarily a domestic bank and is one of the largest banks in the Netherlands for corporates and private banking. Its earnings performance has been solid enough, largely reflecting the continuing resilience of the Dutch economy and housing market. The bank capital and funding ratio are well ahead of the minimum requirements. The outlook for FY23 is solid thanks to higher rates. The Dutch state owns 56% of the bank and has one of the lowest leverage in the European Union with a solid current account surplus which adds strength to the investment thesis.

Experian Finance 3.25% 07.04.32 at 84p giving an expected total return of 5.6% per year. The bond is investment grade rated BBB+. Experian is a leading global information services company spanning credit information, data and decision analytics and consumer services. The group has a strong market position (number one and number two) in data sub-segment across largest core markets (US, Brazil, and UK), and leading position in consumer credit information in the US. Experian is exposed to robust structural themes such as the shift to a digital economy and demand for big data and analytics. It also has a strong free cash flow generation, clear financial policy, with conservative medium-term net leverage target.

The Berkeley Group 2.5% 11.08.31 at 70p gave an expected total return of 7.2% per year. Such price leaves 30p of capital upside in addition to a 2.5% coupon. The bond is investment grade rated BBB-. The Berkeley Group is a residential and commercial property development company focusing on urban regeneration and mixed-use developments. The bond has been battered due to investors' pessimism on the UK economy as well as the surge in mortgage prices. However, we believe the company's fundamentals remain strong and that most of the rate hikes from the Bank of England are behind us meaning that there is a good chance the bond will reprice to par. Moreover, The Berkeley Group 2.5% 11.08.31 bond recently flagged that stubborn build-cost inflation may have peaked with management expecting it to materially ease by the end of the year. The group is profitable, cash generative and keeps a strong liquidity position.

Sales included:

We exited the position in Ninety One Emerging Markets Blended Debt. This call is based on caution around the outlook for the Emerging Market Debt complex, facing multiple headwinds linked to the aggressive hikes from global central banks and the relative attractiveness of direct sterling corporate bond market.

We trimmed 3i. The stock has been performing very well pushing the Sub-fund's exposure above our desired weight target. We continue to like the investment thesis based on 3i track record of value creation and its sustainable model with cash income from portfolio businesses able to cover the group's running costs and increasing dividend.

We also exited our position in the Peel Land and Property Investments 8.375% 30.04.40. In the current environment, the relative attractiveness of such bond has fairly decreased compared to when we initially purchased it when bonds were yielding c. 3%. We can now buy a vanilla bullet and investment grade bond yielding 7 to 8%. The asset base is exposed to UK retail (commercial centres) but the UK may be entering into a shallow recession whilst much higher interest rates and inflation are eroding consumer discretionary spending budget. Such situation could put pressure on tenants. In addition, higher interest rates will decrease NAVs.

We exited two trusts: BlackRock Sustainable American Income and Murray International. These two trusts invest into large cap global equities with a dividend yield between 4% and 5%. As yields on corporate bonds have materially increased over the last two years, we believe such strategies have lost their relative attractiveness as investors are junior to bonds whilst earning a lower yield. Moreover, the BlackRock Sustainable American Income was "sub scale" with a ~£ 140m market capitalisation.



Lastly, the Places for People Homes 4.25% 15.12.23 matured and several bonds were tendered: Pension Insurance Corporation 6.5% 03.07.24 (partly tendered), TP ICAP Finance 5.25% 26.01.24, Liverpool Victoria Friendly Society 9.44% 22.05.43, RSA Insurance Group 5.125% 10.10.25, Admiral Group 5.5% 25.07.24 as well as a preferred share: Bristol & West 8.125% PRF Perpetual.

The Sub-fund continues to be one of the highest yielding funds in the sector, as at the 31 January 2024 the yield was 4.9%. We have continued to pay a lower level of income each month from the Sub-fund and distribute the excess income at the end of the full year period.

MI Charles Stanley Monthly High Income Fund

Fund Information

Key Investor Information

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



MI Charles Stanley Monthly High Income Fund ("the Fund") A Accumulation Shares

This is a sub fund of MI Charles Stanley Investment Funds II. The Fund is an Open Ended Investment Company.
ISIN: GB00B09CC332.
Apex Fundrock Ltd is the Authorised Corporate Director of the Fund ("MI" and "MI Funds" are trading names of the ACD).

Objectives and investment policy

The Fund aims to provide a high income with the potential for capital growth from a low risk portfolio consisting predominantly of UK bonds, which are like loans that pay a fixed or variable rate of interest, issued by companies and governments, shares of companies and preference shares, which are shares with special rights to income or capital, that aim to generate a high income.

The Fund is actively managed and the investment manager has discretion to select its investments. The Fund must hold at least 60% of its investments in bonds in order to retain its identity as a "Distribution Fund" for tax purposes.

The Fund may also invest in shares of companies that have a good record of proven management and rising dividend payments, collective investment schemes and money market instruments and cash.

The Fund will only use derivatives for the purposes of efficient portfolio management, with the aim of managing risk and cost.

Any income this share class generates will be reinvested to grow the value of your investment.

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

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

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

Risk and reward profile

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



- This Fund is ranked at 4 because funds of this type have experienced average rises and falls in value in the past. Please note that even the lowest risk class can lose you money and that extreme market circumstances can mean you suffer severe losses in all cases. The indicator does not take into account the following risks of investing in this Fund:
 - The level of income targeted by the Fund is not guaranteed.
 - 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.
 - For funds investing globally, currency exchange rate fluctuations may have a positive or negative impact on the value of your investment.
 - The Fund invests into other funds which themselves invest in assets such as bonds, company shares, cash and currencies. The objectives and risk profiles of these underlying funds may not be fully in line with those of this Fund.
- For further risk information please see the prospectus.

MI Charles Stanley Monthly High Income Fund

Fund Information



Charges

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

One-off charges taken before or after you invest

Entry charge	0.00%
Exit charge	0.00%

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

Charges taken from the Fund over a year

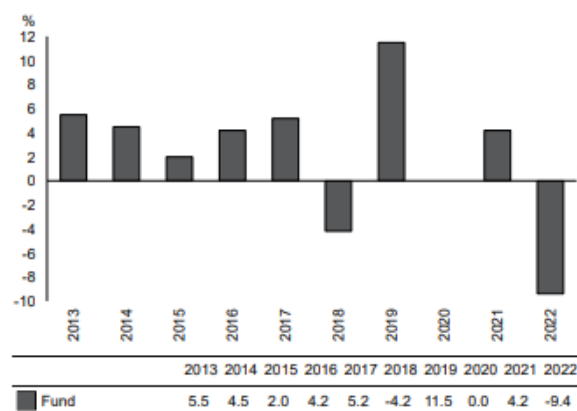
Ongoing charges	1.23%
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Charges taken from the Fund under specific conditions

Performance fee	NONE
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- The ongoing charges figure is based on the last year's expenses and may vary from year to year. It excludes the costs of buying or selling assets for the Fund (unless these assets are shares of another fund).
- For the ongoing charge, the figure is as at 31 January 2023.
- The actual ongoing charges figure as at 31 January 2023 is 1.28% and includes investment management fees of 1.00% and synthetic ongoing charges of 0.15%. The remaining ongoing charges of the Fund being 0.13% are capped at 0.08% until at least 31 January 2024. The effective ongoing charges figure as at 31 January 2023 is 1.23%.
- The ongoing charge also includes the expenses incurred by the investment schemes held by the Fund.
- You may also be charged a dilution levy on entry to or exit from the Fund, this is to cover costs associated with your transaction.
- For more information about charges, please see the prospectus.

Past performance



- You should be aware that past performance is not a guide to future performance.
- Fund launch date: 13/03/2006.
- Share/unit class launch date: 13/03/2006.
- Performance is calculated in GBP.

Practical information

- This document is issued by Apex Fundrock Ltd and contains information on the AAccumulation Shares only ("MI" and "MI Funds" are trading names of the ACD).
- Each fund of the Company has its own pool of assets and liabilities, segregated by law. If one fund were unable to pay for its liabilities the assets of the other funds could not be used to pay for those liabilities.
- You can get further detailed information regarding the Fund, including details of the investment manager and how to switch, buy and sell shares and other share classes available, within the prospectus, the supplementary information document and the annual and half yearly managers' reports. You can get these free of charge from Apex Fundrock Ltd, Hamilton Centre, Rodney Way, Chelmsford, Essex CM1 3BY or from our website: www.fundrock.com. These are available in English only. You can also call us on 0345 308 1456, or look on our website for the latest share prices.
- Details of the ACD's remuneration policy (including a description of how remuneration and benefits are calculated, the composition of the remuneration committee and the identities of persons responsible for awarding remuneration and benefits) are available at www.fundrock.com/mi-fund-data or by requesting a paper copy free of charge (see above for contact details).
- The Depositary of the Fund is Northern Trust Investor Services Limited.
- Please note that the tax laws of the United Kingdom may impact your own tax position.
- Apex Fundrock Ltd may be held liable solely on the basis of any statement contained in this document that is misleading, inaccurate or inconsistent with the relevant parts of the prospectus for the Fund.

MI Charles Stanley UK & International Growth Fund

Sub-Fund Overall Value Assessment score 31st January 2024

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

Fair

Sub-Fund Performance 31st January 2024

The MI Charles Stanley UK & International Growth fund has chosen to be in an IA sector where the majority of funds will almost always have much lower exposure to UK equities. The Charles Stanley fund will normally invest around 40% of its assets in UK equities. This means that when the UK equity market returns less than other major equity markets, or Sterling weakness against the US Dollar the fund will be expected to perform much worse than most funds in the Global Equities sector. This has been the case since the Brexit vote in 2016, although this trend has reversed somewhat over the last two years. The five year figures place the Fund just in the 4th quartile of comparator funds but this is because of the outperformance of overseas equities (principally US equities), the view of the ACD is that the manager is performing well considering the requirement to be heavily invested in UK equities.

1 Year	Fair
3 Years	Good
5 Years	Poor

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

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

Market Overview

The Sub-fund posted a +3.8% total return over the last six months, compared to +1.1% for the FTSE All Share and a +4.2% total return for the IA Global peer group.

Over the full year period the Sub-fund returned +5.4% against a +1.9% return for the FTSE All Share and a +8.3% total return for the IA Global peer group. (Source: Financial Express Analytics, as at 31 January 2024, pounds sterling, net income re-invested, A Accumulation shares)

Global equity markets finished higher in January after weak unemployment data in the US prompted hopes of an early interest rate cut by the Federal Reserve. This followed an impressive fourth-quarter rally, as a swath of favourable data prints indicated lower inflation levels and encouraged investors to switch back into risk assets.



After 18-months of monetary tightening, global Central Banks indicated they could begin to loosen interest rates as soon as this Spring, as policymakers became confident they tamed inflation while preventing the World economy from going into recession. Bank of England Governor, Andrew Bailey, remained cautious on inflationary pressures and warned of forecast risks ahead, as the Central Bank completes the “last mile” of bringing inflation down to its 2 percent target. Meanwhile, in America, economic data indicated the economy was cooling, with the Federal Reserve managing inflation lower without yet appearing to cause too much damage to the labour market. The risk of a policy error remains, however, after countries around the world simultaneously tightened monetary policy. Keeping interest rates higher for longer has the ability of putting a dent in growth whilst creating an unnecessarily deep and protracted global recession.

Geopolitics were dominated by the attack on Israel by the armed Palestinian group Hamas. The triggered retaliatory air strikes and fierce bombardment of Gaza. Western governments immediately supported Israel's right to defend itself, however, investors remained deeply concerned about the risk of hostilities escalating into a humanitarian crisis and a broader Middle Eastern war. The conflict initially sent energy costs higher, with the price of Brent Crude rising back towards \$100 per barrel as Iranian-backed Houthi rebels launched missile attacks on shipments through the Suez Canal.

In the US, Donald Trump emerged as the winner of the New Hampshire Republican primary after a decisive win in the state of Iowa, delivering a knockout blow and increasing the pressure on challenger Nikki Haley to quit the race to become the Republican nominee. Should she underperform in her home state of South Carolina next month, the stage will be set for a rematch of the 2020 election between Trump and incumbent President Joe Biden. With a possible Trump victory reshaping US foreign policy, geopolitical tensions have increased sharply, with defence specialists warning of an ‘inflection point’ for Western nations.

In the UK, the Democratic Unionist Party in Northern Ireland agreed a landmark deal with the UK government to remove trade barriers in the Irish Sea, ending two years of political deadlock. Elsewhere, Chancellor Jeremy Hunt unveiled his Autumn Statement announcing plans to cut the main rate of employee National Insurance contributions and deliver a tax cut in an attempt to boost growth. Meanwhile, conflicting UK economic data continued to cause confusion among economists and policymakers. End of year business surveys suggested that conditions were deteriorating rapidly while, in contrast, consumer confidence ticked up and wage growth increased at its fastest quarterly pace on record.

In Europe, unemployment fell back to a record low and German inflation accelerated casting doubts that the European Central Bank will start cutting interest rates in the first quarter of the year. Meanwhile, protests by farmers over cuts to subsidies caused widespread travel disruption across Germany and exposed the depth of discontent and anger with Chancellor Olaf Scholz's coalition government. Finally, a tentative bull run appeared to be gaining momentum in Japan as Prime Minister Shinzo Abe's reforms sent the Nikkei to a level not reached since the 1990's. It is yet to be seen whether this is a new dawn for the region or, as has repeatedly been the case over the past two-decades, it is destined to be a premature economic recovery.

Outlook

As we head into the New Year the outlook for global growth remains uncertain as consumers and businesses attempt to adapt to the ‘higher for longer’ interest rate rhetoric from the global Central banks. It is encouraging to see that the price of oil has fallen back significantly since its September peak, following the attacks by Hamas on Israel as this had the potential to disrupt global markets, adding to inflationary pressures and delaying eagerly anticipated interest rate cuts.

Encouragingly however, global inflation levels are expected to moderate, with economists in general agreement that interest rates have peaked and should begin to be gradually loosened throughout the year. Investors are already looking forward to a more benign outlook for markets, as sentiment moves on from downturn and recession to recovery and improved prosperity.

Meanwhile, more than four billion voters (half the world's population), involving 64 countries, will go to the polls in 2024. In the UK, Sir Kier Starmer remains favourite to become Labour's seventh Prime Minister, while Donald Trump could be re-elected US President, providing he is not disqualified from becoming the Republican Party's candidate. Elsewhere, all 27 EU member states will be re-electing a new European Parliament and India will be seeking re-elections of the House of People.

Geopolitical risks will continue to remain at the fore and has the potential to knock the fragile return of global growth. While the protracted Russian invasion of Ukraine lingers, there is real concern the conflict could spill across NATO borders. Elsewhere, North Korea continues to fire rockets towards the South's border Islands and Taiwan armed forces are actively simulating naval drills in the expectation of an attack by Beijing. Continued US and UK air strikes against Yemen's Houthis have the potential to escalate and drag Iran into broader Middle Eastern war. Despite this, markets are forward-looking, and investors will hopefully begin to focus on the potential future growth opportunities in 2024.

In the current environment, we will continue to favour investment in large Blue-Chip, high-quality equities which provide a dividend yield and potential for earnings growth. Equities are forecast to benefit further from growth in developed economies and the Subfund maintains an underweight position in European equities, in favour of the UK and American stock markets.

MI Charles Stanley UK & International Growth Fund

Fund Information

Key Investor Information

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



MI Charles Stanley UK & International Growth Fund ("the Fund") A Accumuation Shares

This is a sub fund of MI Charles Stanley Investment Funds II. The Fund is an Open Ended Investment Company.
ISIN: GB00B3F2K236.
Apex Fundrock Ltd is the Authorised Corporate Director of the Fund ("MI" and "MI Funds" are trading names of the ACD).

Objectives and investment policy

The Fund aims to generate capital growth from a diversified portfolio of shares of global companies, with a focus on UK 'blue-chip' companies; these are leading, well-established companies with a record of stable and reliable growth.

The Fund is actively managed and the investment manager has discretion to select its investments.

The Fund may also invest in collective investment schemes, bonds (which are like loans that pay a fixed or variable rate of interest issued by companies and governments), exchange traded funds (funds which are traded on a stock exchange which aim to track an index or a number of different assets) and money market instruments and cash.

The Fund will only use derivatives (financial instruments whose value is linked to the rise and fall of other assets) for the purposes of efficient portfolio management, with the aim of managing risk and cost.

Any income this share class generates will be reinvested to grow the value of your investment.

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

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

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

Risk and reward profile

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



- This Fund is ranked at 5 because funds of this type have experienced medium to high rises and falls in value in the past. Please note that even the lowest risk class can lose you money and that extreme market circumstances can mean you suffer severe losses in all cases. The indicator does not take into account the following risks of investing in this Fund:
- 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.
- For funds investing globally, currency exchange rate fluctuations may have a positive or negative impact on the value of your investment.
- The Fund invests into other funds which themselves invest in assets such as bonds, company shares, cash and currencies. The objectives and risk profiles of these underlying funds may not be fully in line with those of this Fund.
- In difficult market conditions, the value of some investments may be less predictable than normal and the Fund may not be able to buy and sell these investments at the best time or at a fair price. This could affect the Fund's performance, potentially reducing your returns.
- For further risk information please see the prospectus.

MI Charles Stanley UK & International Growth Fund

Fund Information



Charges

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

One-off charges taken before or after you invest

Entry charge	0.00%
Exit charge	0.00%

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

Charges taken from the Fund over a year

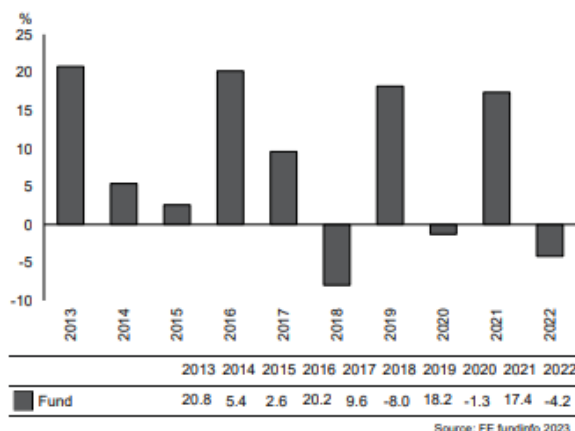
Ongoing charges	1.41%
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Charges taken from the Fund under specific conditions

Performance fee	NONE
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- The ongoing charges figure is based on the last year's expenses and may vary from year to year. It excludes the costs of buying or selling assets for the Fund (unless these assets are shares of another fund).
- For the ongoing charge, the figure is as at 31 January 2023.
- The ongoing charge also includes the expenses incurred by the investment schemes held by the Fund.
- You may also be charged a dilution levy on entry to or exit from the Fund, this is to cover costs associated with your transaction.
- For more information about charges, please see the prospectus.

Past performance



- You should be aware that past performance is not a guide to future performance.
- Fund launch date: 11/12/2008.
- Share/unit class launch date: 11/12/2008.
- Performance is calculated in GBP.

Practical information

- This document is issued by Apex Fundrock Ltd and contains information on the Accumulation Shares only ("MI" and "MI Funds" are trading names of the ACD).
- Each fund of the Company has its own pool of assets and liabilities, segregated by law. If one fund were unable to pay for its liabilities the assets of the other funds could not be used to pay for those liabilities.
- You can get further detailed information regarding the Fund, including details of the investment manager and how to switch, buy and sell shares and other share classes available, within the prospectus, the supplementary information document and the annual and half yearly managers' reports. You can get these free of charge from Apex Fundrock Ltd, Hamilton Centre, Rodney Way, Chelmsford, Essex CM1 3BY or from our website: www.fundrock.com. These are available in English only. You can also call us on 0345 308 1456, or look on our website for the latest share prices.
- Details of the ACD's remuneration policy (including a description of how remuneration and benefits are calculated, the composition of the remuneration committee and the identities of persons responsible for awarding remuneration and benefits) are available at www.fundrock.com/mi-fund-data or by requesting a paper copy free of charge (see above for contact details).
- The Depositary of the Fund is Northern Trust Investor Services Limited.
- Please note that the tax laws of the United Kingdom may impact your own tax position.
- Apex Fundrock Ltd may be held liable solely on the basis of any statement contained in this document that is misleading, inaccurate or inconsistent with the relevant parts of the prospectus for the Fund.