



# MI Brompton UK Recovery Unit Trust

Interim report 31 December 2024

# MI Brompton UK Recovery Unit Trust

## Contents

## Page

Directory .....	1
Investment objective and policy .....	2
Investment manager's report .....	2
Portfolio statement .....	4
Net asset value and units in issue .....	8
Risk and reward profile .....	8
Statement of total return .....	9
Statement of change in unitholders' funds .....	9
Balance sheet .....	10
Certification of the interim report by the authorised unit trust manager .....	10
General information .....	11

## Directory

### Authorised unit trust manager (AUTM) & registrar

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

### Customer service centre

Hamilton Centre, Rodney Way, Chelmsford, Essex CM1 3BY  
Telephone: 0345 026 4288  
Fax: 0845 280 2416  
E-mail: [afasuk@apexgroup.com](mailto:afasuk@apexgroup.com)

### Directors of the AUTM

A.C. Deptford  
P.J. Foley-Brickley  
S.J. Gunson  
E. Personne (Non-Executive Director appointed 25 September 2024)  
D. Phillips (Non-Executive Director)  
L.A. Poynter  
J. Thompson (Non-Executive Director)

### Investment manager

Brompton Asset Management LLP  
1 Knightsbridge Green, London SW1X 7QA  
(Authorised and regulated by the Financial Conduct Authority)

### Trustee

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 Auditors, Chartered Accountants  
30 Finsbury Square, London EC2A 1AG

# MI Brompton UK Recovery Unit Trust

## Investment objective

The investment objective of the MI Brompton UK Recovery Unit Trust ('the fund') is to achieve capital growth.

## Investment policy

The fund will invest principally in the securities of UK companies quoted on the London Stock Exchange that are experiencing difficult trading or that have growth prospects that are not duly recognised by the market.

In addition to ordinary shares the fund may also invest in fixed interest securities, preference shares, debt securities convertible to ordinary stock, money market instruments, deposits and any other permitted asset type deemed appropriate to meet the investment objective. The fund may also invest outside the UK.

## Investment manager's report

for the period ended 31 December 2024

### Performance

The MI Brompton UK Recovery Unit Trust fell 0.95% over the six months to 31 December 2024, underperforming the UK stock market, which gained 2.63%, while cash as measured by the Sterling Overnight Index Average ('SONIA') returned 2.54%. At the period end, the gain from the fund's July 2002 inception was 393.78%. Over the same period, the UK stock market returned 366.16% while cash as measured by SONIA returned 57.91%.

\* Source: Thomson Reuters, NAV to NAV, A units accumulation, total return to 31.12.24.

### Manager's review

UK shares traded in a narrow range over the second half of 2024, with movements mainly driven by investor sentiment about monetary easing and political changes. Amid disappointing economic news in the eurozone, the European Central Bank moved first to ease policy in June. The Bank of England cut Bank Rate by a quarter percentage point to 5% in August, then to 4.75% in November, while the Federal Reserve began its easing programme in September, cutting further in November and December. Labour's decisive UK election victory was widely anticipated and had little impact. Shares, however, responded favourably to the Republicans' clean sweep in the US presidential and congressional elections but they retreated in December. In the UK, concerns increased about the impact of Labour's higher taxes on business. There were also fears that central banks would cut rates more slowly in 2025 than had been hoped because inflation was proving more stubborn than had been hoped.

Larger internationally-diversified companies and smaller companies more reliant on domestic economic conditions delivered similar returns over the period under review, with the MSCI United Kingdom Index returning 1.53% while the MSCI UK Small + Micro Cap Total Return Index rose 2.24%. Mild outperformance by medium-sized companies lay behind the overall market gaining 2.63%. There were larger divergences in sectoral returns. The strongest returns, the result of monetary easing, were by stocks in the financial, consumer staples and consumer discretionary sectors, up 12.41%, 10.55% and 9.90%. By contrast, energy and basic materials were weak, down 12.40% and 11.04% respectively, driven by lower industrial commodity prices. Over the period, copper and oil fell 8.23% and 3.59% respectively in sterling. Revived fears, however, about inflation lifted gold 13.44% in sterling. Healthcare was also conspicuously weak, falling 9.39%.

### Portfolio review

Within the portfolio, some of the strongest returns among large and medium-sized companies came in the consumer and financial sectors although some stocks also bucked negative trends in energy and healthcare. In the consumer sectors, N Brown rose 95.78% following an agreed bid from its controlling shareholder, the Alliance family, while two other retailers, Currys and Marks & Spencer, recovered 31.81% and 31.41% respectively. In financials, NatWest and HSBC rose 31.32% and 17.42% respectively. In healthcare, Oxford BioMedica and Haleon returned 41.55% and 17.61% respectively. In energy and materials, Thungela Resources and Hochschild Mining returned 21.42% and 19.55% respectively. The weakest large and medium-sized companies were Vistry, the housebuilder, which fell 51.65% following disappointing trading statements, PZ Cussons, the personal care company with interests in Nigeria, down 15.27% as a result of Nigerian currency devaluation, and Serco, the outsourcing company, down 15.16%.

The portfolio's strongest smaller stocks included Michelmersh Brick, up 6.33%, and Everyman Media, the cinema operator, up 3.96%. Some smaller companies were, however, conspicuously weak. Merit, a business intelligence technology company, fell 61.94% on disappointing results, while Global Connectivity in telephony and Autins, the motor parts company, fell 46.33% and 46.19% respectively. Two media stocks, Centaur Media and Zinc Media, also suffered from tough trading conditions, falling 40.31% and 38.32% respectively.

During the period under review, the holdings in Abrdn, Centaur Media, Dowlais, Merit, Ocado, Renishaw, Town Centre Securities, TT Electronics, Vanquis Banking and Zinc Media were topped up on weakness. The fund sold out of Redrow and Smiths after agreed takeover bids and took partial profits on its holdings in Hochschild Mining, Marks & Spencer and Pearson.

## Investment manager's report

continued

### Outlook

Weak global inflation-adjusted money supply trends suggest that global economic growth is likely to be lacklustre over the first half of 2025. Indicators for global manufacturing orders showed business confidence bottoming out in late 2024 but monetary weakness implies there will only be a muted recovery over the coming months.

UK economic activity may be more depressed than elsewhere because UK monetary trends are lagging the average, well behind those in the US, the eurozone and China. Weak corporate liquidity suggests there could be significant job cuts as businesses respond to the coming rise in employers' national insurance. Corporate unease is also visible in the Confederation of British Industry's economic activity indicators, which combine the results of its sector surveys and imply that output may fall. Such weakness suggests that fears about the stubbornness of inflation may be overdone, with consumer price rises slowing significantly in early 2025.

Meanwhile, the lack of surplus liquidity for investment in financial assets beyond that needed to finance industrial activity implies that the next few months will be a lacklustre period for stock markets. Within the markets, cyclical sectors and precious metals, which have performed strongly over the past two years, may lose relative ground while laggards such as small companies and industrial commodity producers have potential to catch up.

In such circumstances, relative performance among companies and sectors is likely to vary significantly during the early months of 2025, emphasising the importance of stock selection in generating performance.

# MI Brompton UK Recovery Unit Trust

## Portfolio statement

as at 31 December 2024

Holding	Security	Market value £	% of total net assets 2024
	<b>Technology 3.56% (3.11%)</b>		
	<b>Software and computer services 2.49% (2.02%)</b>		
21,506	Sage	273,664	2.49
	<b>Technology hardware and equipment 1.07% (1.09%)</b>		
113,321	TT Electronics	117,854	1.07
	<b>Telecommunications 5.18% (5.17%)</b>		
	<b>Telecommunications equipment 1.91% (1.88%)</b>		
119,114	Spirent Communications	210,474	1.91
	<b>Telecommunications service providers 3.27% (3.29%)</b>		
129,876	BT	187,086	1.70
4,400,000	Global Connectivity****	22,000	0.20
3,400,000	Global Connectivity Warrants 20/04/2026**	–	0.00
220,490	Vodafone	150,551	1.37
		359,637	3.27
	<b>Healthcare 5.05% (4.21%)</b>		
	<b>Medical equipment and services 0.00% (0.00%)</b>		
611,374	Advanced Oncotherapy*	–	0.00
	<b>Pharmaceuticals and biotechnology 5.05% (4.21%)</b>		
10,785	GSK	145,166	1.32
57,180	Haleon	215,797	1.96
46,458	Oxford BioMedica	195,124	1.77
		556,087	5.05
	<b>Financials 16.44% (14.24%)</b>		
	<b>Banks 7.52% (6.19%)</b>		
42,836	HSBC	336,391	3.06
339,184	Lloyds Banking	185,805	1.68
76,073	NatWest	305,890	2.78
		828,086	7.52
	<b>Finance and credit services 4.27% (3.79%)</b>		
47,511	H&T*	164,862	1.50
139,678	International Personal Finance	181,581	1.65
277,786	Vanquis Banking	123,615	1.12
		470,058	4.27
	<b>Investment banking and brokerage services 1.44% (1.20%)</b>		
112,244	Abrdn	158,432	1.44
	<b>Closed end investments 1.87% (1.81%)</b>		
78,840	Rockwood Strategic	205,772	1.87
	<b>Life insurance 1.34% (1.26%)</b>		
64,155	Legal & General	147,428	1.34

## Portfolio statement

continued

Holding	Security	Market value £	% of total net assets 2024
	<b>Real estate 7.94% (7.92%)</b>		
	<b>Real estate investment trusts 7.94% (7.92%)</b>		
44,944	British Land	161,888	1.47
82,120	Hammerson	229,608	2.09
121,655	Intu Properties***	–	0.00
103,412	Londonmetric Property	186,142	1.69
131,064	Shaftesbury Capital	164,485	1.50
111,391	Town Centre Securities	131,441	1.19
		<hr/>	
		873,564	7.94
	<b>Consumer discretionary 20.58% (22.56%)</b>		
	<b>Household goods and home construction 3.39% (6.43%)</b>		
32,708	Colefax*	255,122	2.32
20,726	Vistry	117,931	1.07
		<hr/>	
		373,053	3.39
	<b>Media 6.20% (6.87%)</b>		
476,065	Centaur Media	104,734	0.95
294,572	Everyman Media*	153,177	1.39
148,602	Merit*	44,581	0.40
19,724	Pearson	252,862	2.30
254,883	Zinc Media*	127,442	1.16
		<hr/>	
		682,796	6.20
	<b>Retailers 8.61% (6.62%)</b>		
233,383	Currys	221,014	2.01
73,117	Kingfisher	181,768	1.65
75,433	Marks & Spencer	283,251	2.57
664,892	N Brown*	261,967	2.38
		<hr/>	
		948,000	8.61
	<b>Travel and leisure 2.38% (2.64%)</b>		
106,900	Mitchells & Butlers	261,905	2.38
80,000	Peel Hotels**	0	0.00
		<hr/>	
		261,905	2.38
	<b>Consumer staples 5.71% (5.28%)</b>		
	<b>Personal care, drug and grocery stores 5.71% (5.28%)</b>		
64,338	J Sainsbury	176,029	1.60
924,400	McColl's Retail***	–	0.00
38,081	Ocado	115,119	1.05
163,931	PZ Cussons	133,768	1.22
4,473	Unilever	203,387	1.84
		<hr/>	
		628,303	5.71
	<b>Industrials 22.75% (24.55%)</b>		
	<b>Construction and materials 1.65% (1.49%)</b>		
183,500	Michelmersh Brick*	181,665	1.65
		<hr/>	
	<b>Aerospace and defense 2.33% (2.56%)</b>		
22,386	BAE Systems	256,991	2.33
		<hr/>	

# MI Brompton UK Recovery Unit Trust

## Portfolio statement

continued

Holding	Security	Market value £	% of total net assets 2024
	<b>Electronic and electrical equipment 3.83% (3.46%)</b>		
14,100	IMI	256,761	2.33
4,880	Renishaw	164,944	1.50
		<hr/>	
		421,705	3.83
	<b>General industrials 3.48% (4.80%)</b>		
305,977	Dowlais	206,228	1.87
10,366	Smiths	177,778	1.61
		<hr/>	
		384,006	3.48
	<b>Industrial engineering 3.27% (3.24%)</b>		
37,446	Melrose Industries	207,151	1.88
36,195	Vesuvius	152,925	1.39
		<hr/>	
		360,076	3.27
	<b>Industrial support services 8.19% (9.00%)</b>		
670,000	Autins*	40,200	0.37
3,607	Intertek	169,601	1.54
130,975	Johnson Service*	177,340	1.61
35,051	Rentokil Initial	139,924	1.27
24,176	RS	164,276	1.49
138,699	Serco	209,852	1.91
		<hr/>	
		901,193	8.19
	<b>Basic materials 5.91% (6.21%)</b>		
	<b>Industrial metals and mining 3.19% (3.28%)</b>		
7,472	Anglo American	176,638	1.60
3,695	Rio Tinto	174,515	1.59
		<hr/>	
		351,153	3.19
	<b>Precious metals and mining 2.72% (2.93%)</b>		
143,132	Aclara Resources	34,191	0.31
124,027	Hochschild Mining	264,798	2.41
		<hr/>	
		298,989	2.72
	<b>Energy 3.34% (3.23%)</b>		
	<b>Oil, gas and coal 3.34% (3.23%)</b>		
8,571	Shell	212,218	1.93
27,409	Thungela Resources	155,546	1.41
		<hr/>	
		367,764	3.34



## Portfolio statement

continued

<b>Holding</b>	<b>Security</b>	<b>Market value £</b>	<b>% of total net assets 2024</b>
	<b>Alternative energy 0.00% (0.00%)</b>		
4	Ocean Power Technologies	3	0.00
<b>Investment assets</b>		<b>10,618,658</b>	<b>96.46</b>
<b>Net other assets</b>		<b>389,637</b>	<b>3.54</b>
<b>Net assets</b>		<b>11,008,295</b>	<b>100.00</b>

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 30.06.24.

\*Quoted on AIM.

\*\*These securities have been valued at the authorised unit trust manager's best assessment of their fair value.

\*\*\*These securities are in administration.

\*\*\*\*Quoted on the Aquis exchange.

Total purchases for the period: £325,501

Total sales for the period: £754,796

# MI Brompton UK Recovery Unit Trust

## Net asset value and units in issue

Class	Net asset value (£)	Units in issue	Net asset value per unit (p)	Operating charges*
A Accumulation	£11,008,295	2,241,891	491.03	1.57%

\*Operating charges include indirect costs incurred in the maintenance and running of the fund as disclosed, (but not limited to), the detailed expenses within the statement of total return. The figures used within this table have been calculated by annualising the expenses incurred against the average net asset value for the accounting period.

## Risk and reward profile

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



The fund is ranked at 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:

- There may be cases where the company in which the fund owns shares falls into receivership due to trading difficulties. This could cause losses to the fund and reduce your investment.
- The fund invests in particular stocks that are experiencing difficulties or are undervalued. It may, therefore, not perform in line with funds that have a broader investment policy.
- For further risk information please see the prospectus.

### Risk warning

An investment in a unit trust should be regarded as a medium-to-long-term investment. Investors should be aware that the price of units 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 December 2024

	£	31.12.24	£	31.12.23	£
Income					
Net capital (losses)/gains			(109,987)		563,810
Revenue	140,336			166,794	
Expenses	(90,492)			(85,244)	
Net revenue before taxation	49,844			81,550	
Taxation	(482)			(1,023)	
Net revenue after taxation		49,362		80,527	
<b>Change in unitholders' funds from investment activities</b>			<b>(60,625)</b>		<b>644,337</b>

## Statement of change in unitholders' funds

for the period ended 31 December 2024

	£	31.12.24	£	31.12.23	£
<b>Opening net assets</b>			<b>11,563,920</b>		<b>10,319,179</b>
Less: Amounts payable on cancellation of units	(495,000)			-	
			(495,000)		
Change in unitholders' funds from investment activities (see statement of total return above)			(60,625)		644,337
<b>Closing net assets</b>			<b>11,008,295</b>		<b>10,963,516</b>

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

# MI Brompton UK Recovery Unit Trust

## Balance sheet

as at 31 December 2024

	31.12.24		30.06.24	
	£	£	£	£
<b>ASSETS</b>				
<b>Fixed assets</b>				
Investments		10,618,658		11,157,696
<b>Current assets</b>				
Debtors	23,494		35,109	
Cash and bank balances	398,956		402,893	
<b>Total current assets</b>		<b>422,450</b>		<b>438,002</b>
<b>Total assets</b>		<b>11,041,108</b>		<b>11,595,698</b>
<b>LIABILITIES</b>				
<b>Creditors</b>				
Other creditors	(32,813)		(31,778)	
<b>Total creditors</b>		<b>(32,813)</b>		<b>(31,778)</b>
<b>Total liabilities</b>		<b>(32,813)</b>		<b>(31,778)</b>
<b>Unitholders' funds</b>		<b>11,008,295</b>		<b>11,563,920</b>

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 for financial statements of authorised funds issued by the Investment Association (IA) in May 2014 as 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 June 2024.

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

## Certification of the interim report by the authorised unit trust manager

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.

**A.C. Deptford**

**P.J. Foley-Brickley**

**S.J. Gunson**

**L.A. Poynter**

Directors

Apex Fundrock Limited

25 February 2025

## General Information

### Authorised status

The fund is an authorised unit trust scheme and UK UCITS scheme operating under chapter 5 of COLL. The fund qualifies for certification under the UCITS directive. The fund was established on 5 September 2006 and authorised by the FCA on 6 September 2006.

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

Unitholders are not liable for the debts of the 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 fund of notices or other documents required or authorised to be served on it.

### Base currency

The base currency of the fund is pounds sterling.

### Units

The trust deed allows the fund to issue different classes of units in respect of the fund.

The fund currently has the following class of units available for investment:

Class A accumulation units

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

### Valuation point

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

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

### Buying and selling of units

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

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

Or by telephone on: 0345 026 4288

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

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

### Pricing basis

There is a single price for buying, selling and switching units in a fund which represents the net asset value of the fund concerned. The unit 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 AUTM.

The prices of units are published daily on [www.fundrock.com](http://www.fundrock.com). Neither the fund nor the AUTM can be held responsible for any errors in the publication of the prices. The units in the 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.

# MI Brompton UK Recovery Unit Trust

## General information

continued

### Other information

The trust deed, prospectus, key investor information document and the most recent interim and annual reports may be inspected at the head office of the AUTM which is also the head office of the fund. Copies may be obtained free of charge upon application. They are also available from the website of the AUTM, the details of which are given in the directory of this report.

Unitholders who have complaints about the operation of the fund should in the first instance contact the AUTM, 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 AUTM is required to publish a public TCFD product report in respect of each unit trust. 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 the unit trust are published on [www.fundrock.com/mi-funds/](http://www.fundrock.com/mi-funds/) and can be found under Task Force on Climate-Related Financial Disclosures (TCFD) by selecting the relevant Investment Manager.

### Significant information

The AUTM 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.

### Data Protection

All personal information provided by you and any other information relating to your investment will be treated in confidence by us and will not be disclosed to any third parties outside of the Apex Group, except to our service providers, appropriate authorities or where legally compelled or permitted by law or where your prior consent has been received. We will use your information to open, administer and when appropriate, close your account. We may record and use any information held about you in the course of our relationship with you for these purposes. The Law gives you the right to know what information we hold about you. In addition, the Law sets out rules to make sure that this information is handled properly.

A copy of our privacy policy and your rights as a data subject can be found on our website at [www.apexgroup.com/privacy-policy/](http://www.apexgroup.com/privacy-policy/). Apex Fundrock Ltd is a registered Data Controller. If you have any queries about the use of your personal information, please contact us via e-mail at [DPO@apexfs.com](mailto:DPO@apexfs.com) or by post to Hamilton Centre, Rodney Way, Chelmsford, Essex, CM1 3BY.

### Risk warning

An investment in a unit trust should be regarded as a medium-to-long-term investment. Investors should be aware that the price of units 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.

