



MI Quilter Cheviot Investment Funds

Annual Report 30 April 2024

MI Quilter Cheviot Investment Funds

Contents

Page

Directory*	1
Statement of the Authorised Corporate Director's Responsibilities	2
Certification of Annual Report by the Authorised Corporate Director	2
Statement of the Depositary's Responsibilities in Respect of the Scheme and Report of the Depositary to the Shareholders	3
Independent Auditor's Report to the Shareholders	4
Accounting Policies and Risk Management Policies	8
MI Quilter Cheviot Alternative Assets Fund	
Investment Objective and Policy*	12
Investment Manager's Report*	12
Portfolio Statement*	15
Comparative Tables	16
Risk and Reward Profile*	18
Statement of Total Return	19
Statement of Change in Net Assets Attributable to Shareholders	19
Balance Sheet	20
Notes to the Financial Statements	21
Distribution Tables	28
MI Quilter Cheviot Asian and Emerging Markets Equity Fund	
Investment Objective and Policy*	30
Investment Manager's Report*	30
Portfolio Statement*	32
Comparative Tables	33
Risk and Reward Profile*	35
Statement of Total Return	36
Statement of Change in Net Assets Attributable to Shareholders	36
Balance Sheet	37
Notes to the Financial Statements	38
Distribution Tables	45
MI Quilter Cheviot Conservative Fixed Interest Fund	
Investment Objective and Policy*	47
Investment Manager's Report*	47
Portfolio Statement*	49
Comparative Tables	50
Risk and Reward Profile*	52
Statement of Total Return	53
Statement of Change in Net Assets Attributable to Shareholders	53
Balance Sheet	54
Notes to the Financial Statements	55
Distribution Tables	62

Contents

Page

continued

MI Quilter Cheviot Diversified Returns Fund

Investment Objective and Policy*	63
Investment Manager's Report*	63
Portfolio Statement*	66
Comparative Tables	67
Risk and Reward Profile*	69
Statement of Total Return	70
Statement of Change in Net Assets Attributable to Shareholders	70
Balance Sheet	71
Notes to the Financial Statements	72
Distribution Tables	79

MI Quilter Cheviot European Equity Fund

Investment Objective and Policy*	81
Investment Manager's Report*	81
Portfolio Statement*	84
Comparative Tables	87
Risk and Reward Profile*	89
Statement of Total Return	90
Statement of Change in Net Assets Attributable to Shareholders	90
Balance Sheet	91
Notes to the Financial Statements	92
Distribution Tables	99

MI Quilter Cheviot Fixed Interest Fund

Investment Objective and Policy*	101
Investment Manager's Report*	101
Portfolio Statement*	103
Comparative Tables	104
Risk and Reward Profile*	106
Statement of Total Return	107
Statement of Change in Net Assets Attributable to Shareholders	107
Balance Sheet	108
Notes to the Financial Statements	109
Distribution Tables	116

MI Quilter Cheviot North American Equity Fund

Investment Objective and Policy*	118
Investment Manager's Report*	118
Portfolio Statement*	121
Comparative Tables	124
Risk and Reward Profile*	127
Statement of Total Return	128
Statement of Change in Net Assets Attributable to Shareholders	128
Balance Sheet	129
Notes to the Financial Statements	130
Distribution Tables	137

MI Quilter Cheviot Investment Funds

Contents

Page

continued

MI Quilter Cheviot UK Equity Fund

Investment Objective and Policy*	139
Investment Manager's Report*	139
Portfolio Statement*	142
Comparative Tables	145
Risk and Reward Profile*	147
Statement of Total Return	148
Statement of Change in Net Assets Attributable to Shareholders	148
Balance Sheet	149
Notes to the Financial Statements	150
Distribution Tables	157
General Information*	159

* These collectively comprise the Authorised Corporate Director's Report.

Directory

Authorised Corporate Director ('ACD') & Registrar

Apex Fundrock Limited
Hamilton Centre, Rodney Way, Chelmsford, Essex CM1 3BY
Telephone: 01245 398950
Fax: 01245 398951
Website: www.fundrock.com
(Authorised and regulated by the Financial Conduct Authority)

Customer Service Centre

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

Directors of the Authorised Corporate Director

A.C. Deptford
P.J. Foley-Brickley
S.J. Gunson (appointed 24 May 2024)
I.T. Oddy (retired 7 March 2024)
C. O'Keeffe (retired 6 May 2024)
D. Phillips (Non-Executive Director)
L.A. Poynter (appointed 18 June 2024)
J. Thompson (Non-Executive Director)

Investment Manager

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

Depositary

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

Independent Auditors

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

MI Quilter Cheviot Investment Funds

Statement of the Authorised Corporate Director's Responsibilities

The Collective Investment Schemes Sourcebook published by the FCA, ('the COLL Rules') requires the Authorised Corporate Director ('ACD') to prepare financial statements for each annual accounting year which give a true and fair view of the financial position of the Company and of the net revenue and net gains or losses on the property of the Company for the year.

In preparing the financial statements the ACD is responsible for:

- selecting suitable accounting policies and then apply them consistently;
- making judgements and estimates that are reasonable and prudent;
- following UK accounting standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland;
- complying with the disclosure requirements of the Statement of Recommended Practice for Financial Statements of UK Authorised Funds issued by the Investment Association ('IA') in May 2014 and amended in June 2017;
- keeping proper accounting records which enable it to demonstrate that the financial statements as prepared comply with the above requirements;
- assessing the Company and its Sub-funds' ability to continue as a going concern, disclosing, as applicable, matters related to going concern;
- using the going concern basis of accounting unless they either intend to liquidate the Company or terminate a Sub-fund or to cease operations, or have no realistic alternative but to do so;
- such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; and
- taking reasonable steps for the prevention and detection of fraud and irregularities.

The ACD is responsible for the management of the Company in accordance with its Instrument of Incorporation, the Prospectus and the COLL Rules.

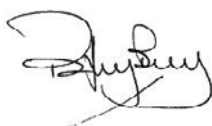
The ACD is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable it to ensure that the financial statements comply with the Sourcebook. The ACD is also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the ACD is aware:

- there is no relevant audit information of which the Company's Auditor is unaware; and
- the ACD has taken steps that it ought to have taken to make itself aware of any relevant audit information and to establish that the Auditor is aware of the information.

Certification of the Annual Report by the Authorised Corporate Director

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



P.J. Foley-Brickley

S.J. Gunson

L.A. Poynter

Directors

Apex Fundrock Limited

29 August 2024

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

Statement of the Depositary's Responsibilities in Respect of the Scheme and Report of the Depositary to the Shareholders of the MI Quilter Cheviot Investment Funds ('the Company')

for the year ended 30 April 2024

The Depositary must ensure that the Company is managed in accordance with the Financial Conduct Authority's Collective Investment Schemes Sourcebook, and from 22 July 2014 the Investment Funds Sourcebook, the Open-Ended Investment Companies Regulations 2001 (SI 2001/1228), as amended, the Financial Services and Markets Act 2000, as amended, (together 'the Regulations'), the Company's Instrument of Incorporation and Prospectus (together 'the Scheme documents') as detailed below.

The Depositary must in the context of its role act honestly, fairly, professionally, independently and in the interests of the Company and its investors.

The Depositary is responsible for the safekeeping of all custodial assets and maintaining a record of all other assets of the Company in accordance with the Regulations.

The Depositary must ensure that:

- the Company's cash flows are properly monitored and that cash of the Company is booked into the cash accounts in accordance with the Regulations;
- the sale, issue, repurchase, redemption and cancellation of shares are carried out in accordance with the Regulations;
- the value of shares of the Company are calculated in accordance with the Regulations;
- any consideration relating to transactions in the Company's assets is remitted to the Company within the usual time limits;
- the Company's income is applied in accordance with the Regulations; and
- the instructions of the Alternative Investment Fund Manager ('the AIFM') are carried out (unless they conflict with the Regulations).

The Depositary also has a duty to take reasonable care to ensure that Company is managed in accordance with the Scheme documents and the Regulations in relation to the investment and borrowing powers applicable to the Company.

Having carried out such procedures as we consider necessary to discharge our responsibilities as Depositary of the Company, it is our opinion, based on the information available to us and the explanations provided, that in all material respects the Company, acting through the AIFM:

- (i) has carried out the issue, sale, redemption and cancellation, and calculation of the price of the Company's shares and the application of the Company's income in accordance with the Regulations, the Scheme documents of the Company, and
- (ii) has observed the investment and borrowing powers and restrictions applicable to the Company.

Northern Trust Investor Services Limited

UK Trustee and Depositary Services

29 August 2024

MI Quilter Cheviot Investment Funds

Independent Auditor's Report to the Shareholders of MI Quilter Cheviot Investment Funds ('the Company')

Opinion

We have audited the financial statements of MI Quilter Cheviot Investment Funds (the 'Company') for the year ended 30 April 2024. These financial statements comprise together the statement of accounting policies and risk management policies, and the individual financial statements of each of the following Sub-funds (the 'Sub-funds') of the Company:

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

The individual financial statements for each of the Company's Sub-funds comprise the Statement of Total Return, the Statement of Change in Net Assets Attributable to Shareholders, the Balance Sheet, Notes to the Financial Statements and the Distribution Tables.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice) and the Statement of Recommended Practice 'for Financial Statements of UK Authorised Funds' issued by the Investment Association in May 2014 and amended in June 2017, the rules of the Collective Investment Schemes Sourcebook and the Company's Instrument of Incorporation.

In our opinion, the financial statements:

- give a true and fair view of the financial position of the Company and each of the Sub-funds as at 30 April 2024 and of the net revenue and net capital gains/(losses) on the scheme property of the Company and each of the Sub-funds for the year then ended, and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, the Statement of Recommended Practice 'for Financial Statements of UK Authorised Funds' issued by the Investment Association in May 2014 and amended in June 2017, the Collective Investment Schemes Sourcebook, and the Company's Instrument of Incorporation.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ('ISAs (UK)') and applicable law. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We are responsible for concluding on the appropriateness of the Authorised Corporate Director's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's and each of the Sub-fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the Company and each of the Sub-funds to cease to continue as a going concern.

In our evaluation of the Authorised Corporate Director's conclusions, we considered the inherent risks associated with the Company's and each of the Sub-fund's business model including effects arising from macro-economic uncertainties such as the Geopolitical Uncertainty and Cost of Living crisis, we assessed and challenged the reasonableness of estimates made by the Authorised Corporate Director and the related disclosures and analysed how those risks might affect the Company's and each of the Sub-fund's financial resources or ability to continue operations over the going concern period.

Independent Auditor's Report to the Shareholders of MI Quilter Cheviot Investment Funds ('the Company')

continued

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's and each of the Sub-fund's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the Authorised Corporate Director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

The responsibilities of the Authorised Corporate Director with respect to going concern are described in the 'Responsibilities of the Authorised Corporate Director' section of this report.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The Authorised Corporate Director is responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Collective Investment Schemes Sourcebook

In our opinion:

- we have been given all the information and explanations, which, to the best of our knowledge and belief, are necessary for the purposes of our audit, and
- the information given in the Authorised Corporate Director's Report (which comprises; on page 1, Directory; within the Sub-funds, the Investment Objective and Policy, the Investment Manager's Report, the Portfolio Statement, the Risk and Reward Profile; and on page 158, the General Information) is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Collective Investment Schemes Sourcebook requires us to report to you if, in our opinion:

- proper accounting records for the Company or a Sub-fund have not been kept, or
- the financial statements are not in agreement with those accounting records.

Responsibilities of the Authorised Corporate Director

As explained more fully in the Statement of the Authorised Corporate Director's Responsibilities, the Authorised Corporate Director is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Authorised Corporate Director determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Authorised Corporate Director is responsible for assessing the Company's and each of the Sub-fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Authorised Corporate Director either intends to terminate a Sub-fund, wind up the Company or to cease operations, or has no realistic alternative but to do so.

Independent Auditor's Report to the Shareholders of MI Quilter Cheviot Investment Funds ('the Company')

continued

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with ISAs (UK).

The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below:

- We obtained an understanding of the legal and regulatory frameworks applicable to the Company and the industry in which it operates. We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our sector experience and through discussion with management. We determined that the most significant laws and regulations were the Collective Investment Schemes Sourcebook, the Investment Association Statement of Recommended Practice ('SORP') 'Financial Statements of UK Authorised Funds' and United Kingdom Accounting Standards, including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland';
- We enquired of the Authorised Corporate Director and management to obtain an understanding of how the Company is complying with those legal and regulatory frameworks and whether there were any instances of non-compliance with laws and regulations and whether they had any knowledge of actual or suspected fraud. We corroborated the results of our enquiries through our review of the breaches register.
- In assessing the potential risks of material misstatement, we obtained an understanding of: the Company's operations, including the nature of its revenue sources, and of its objective to understand the classes of transactions, account balances, expected financial statement disclosures and business risks that may result in risks of material misstatement and the Company's control environment, including the policies and procedures implemented to mitigate risks of fraud or non-compliance with the relevant laws and regulations.
- We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur by evaluating management's incentives and opportunities for manipulation of the financial statements. This included an evaluation of the risk of management override of controls. Audit procedures performed by the engagement team in connection with the risks identified included:
 - evaluation of the design and implementation of controls that management has put in place to prevent and detect fraud;
 - testing journal entries, including manual journal entries processed at the year end for financial statements preparation; and
 - challenging the assumptions and judgements made by management in its significant accounting estimates.
- These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error and detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it.

Independent Auditor's Report to the Shareholders of MI Quilter Cheviot Investment Funds ('the Company')

continued

- The engagement partner's assessment of the appropriateness of the collective competence and capabilities of the engagement team included consideration of the engagement team's:
 - understanding of, and practical experience with, audit engagements of a similar nature and complexity, through appropriate training and participation;
 - knowledge of the industry in which the Company operates; and
 - understanding of the legal and regulatory frameworks applicable to the Company.

Use of our report

This report is made solely to the Company's Shareholders, as a body, in accordance with regulation 67(2) of the Open-Ended Investment Companies Regulations 2001, and with Rule 4.5.12 of the Collective Investment Schemes Sourcebook. Our audit work has been undertaken so that we might state to the Company's Shareholders those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's Shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

Grant Thornton UK LLP

Grant Thornton UK LLP

Statutory Auditor, Chartered Accountants

London, United Kingdom

29 August 2024

MI Quilter Cheviot Investment Funds

Accounting Policies and Risk Management Policies

for the year ended 30 April 2024

The financial statements for MI Quilter Cheviot Investment Funds comprises the individual financial statements for each Sub-fund and the accounting policies and risk management policies below:

1. Accounting Policies

(a) Basis of accounting

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

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

The authorised status and head office of the Company can be found within the general information starting on page 159.

The Certification of the Annual Report by the Authorised Corporate Director can be found on page 2.

(b) Recognition of revenue

Revenue is included in the Statement of Total Return on the following basis:

Dividends on quoted equities and preference shares are recognised when the securities are quoted ex-dividend.

Distributions from collective investment schemes are recognised when the schemes are quoted ex-distribution. Equalisation returned with the distribution is deducted from the cost of the investment and does not form part of the distributable revenue.

Any reported revenue from an offshore reporting fund is recognised as revenue no later than the date on which the reporting fund makes the information available.

Interest on debt securities and bank and short-term deposits is recognised on an accrual basis.

In the case of debt securities any difference between acquisition cost and maturity value is recognised as revenue over the life of the security using the effective yield basis of calculating amortisation.

All revenue includes withholding taxes but excludes irrecoverable tax credits.

(c) Treatment of stock and special dividends

The ordinary element of stocks received in lieu of cash dividends is credited to capital in the first instance followed by a transfer to revenue of the cash equivalent being offered and this forms part of the distributable revenue.

Special dividends are reviewed on a case by case basis in determining whether the dividend is to be treated as revenue or capital. Amounts recognised as revenue will form part of the distributable revenue. The tax accounting treatment follows the treatment of the principal amount.

(d) Treatment of expenses

All expenses, except for those relating to the purchase and sale of investments, are charged against revenue for the year on an accruals basis.

(e) Allocation of revenue and expenses to multiple share classes and Sub-funds

Any revenue or expense not directly attributable to a particular Sub-fund will normally be allocated pro-rata to the net assets of the relevant share classes and Sub-funds on the day that the revenue or expense is recognised.

With the exception of the Investment Manager's fee which is directly attributable to individual share classes, all revenue and expenses are apportioned to the Sub-fund's share classes pro-rata to the value of the net assets of the relevant share class on the day that the revenue or expense is recognised.

(f) Taxation

Corporation tax is provided at 20% on revenue, after deduction of expenses.

Deferred tax is provided using the liability method on all timing differences arising on the treatment of certain items for taxation and accounting purposes, calculated at the rate at which it is anticipated the timing differences will reverse. Deferred tax assets are recognised only when, on the basis of available evidence, it is more likely than not that there will be taxable profits in the future against which the deferred tax asset can be offset.

Accounting Policies and Risk Management Policies

continued

1. Accounting Policies (continued)

(g) Distribution policy

The net revenue after taxation as disclosed in the financial statements, after adjustment for items of a capital nature, is distributable to Shareholders as dividend distributions. Any revenue deficit is funded from capital.

Interim distributions may be made at the ACD's discretion and the balance of revenue is distributed in accordance with the regulations.

In the case of debt securities any difference between acquisition cost and maturity value is recognised as revenue over the life of the security using the effective yield basis of calculating amortisation. This may constrain the capital growth of the Sub-fund.

All expenses (except for those relating to the purchase and sale of investments) are charged against revenue for the year.

Distributions not claimed within a six year period will be forfeited and added back to the capital of the Sub-fund.

(h) Basis of valuation of investments

Listed investments are valued at close of business bid prices on the last business day of the accounting year excluding any accrued interest in the case of fixed and floating rate interest securities.

Collective investment schemes are valued at quoted bid price for dual priced funds and at quoted price for single priced funds, on the last business day of the accounting year.

Unlisted or suspended investments are valued by the ACD taking into account where appropriate, latest dealing prices, valuations from reliable sources, financial performance and other relevant factors.

Market value is defined by the SORP as fair value, which generally is the bid value of each security.

Categorisation within the hierarchy has been determined on the basis of the lowest level input that is significant to the fair value measurement of the relevant asset as follows:

- Level 1 – Unadjusted quoted price in an active market for identical instrument.
- Level 2 – Valuation techniques using observable inputs other than quoted prices within Level 1.
- Level 3 – Valuation techniques using unobservable inputs.

(i) Exchange rates

Transactions in foreign currencies are recorded in sterling at the rate ruling at the date of the transactions. Assets and liabilities expressed in foreign currencies at the end of the accounting year are translated into sterling at the closing exchange rates ruling on that date.

(j) Dilution levy

The ACD may require a dilution levy on the purchase and redemption of shares if, in its opinion, the existing Shareholders (for purchases) or remaining Shareholders (for redemptions) might otherwise be adversely affected. For example, the dilution levy may be charged in the following circumstances: where the scheme property is in continual decline; on a Sub-fund experiencing large levels of net sales relative to its size; on 'large deals' (typically being a purchase or redemption of shares to a size exceeding 5% of the Net Asset Value of the Company); in any case where the ACD is of the opinion that the interests of remaining Shareholders require the imposition of a dilution levy.

2. Risk Management Policies and Disclosures

In pursuing its investment objectives, the Sub-funds may hold a number of financial instruments. These financial instruments comprise securities and other investments, cash balances, debtors and creditors that arise directly from the Sub-fund's operations, for example, in respect of sales and purchases awaiting settlement, amounts receivable for creations and payable for redemptions and debtors for accrued revenue.

In doing so, the ACD accepts market price risk and currency risk in relation to the investment portfolio and foreign cash positions.

The Sub-fund's may also enter into a range of derivative transactions whose purpose is efficient portfolio management. In addition, the Sub-fund's only executes derivative contracts where both the derivative instrument and the counterparty have been approved by the ACD. The use of derivatives and forward transactions for the purpose of meeting a Sub-fund's investment objectives may increase the risk profile of that Sub-fund. Derivatives may also be used for investment purposes.

MI Quilter Cheviot Investment Funds

Accounting Policies and Risk Management Policies

continued

2. Risk Management Policies and Disclosures (continued)

The risks arising from financial instruments and the ACD's policies for the monitoring and managing of these risks are stated below in accordance with the Risk Management Policy of the ACD.

These policies have been consistent for both years through which these financial statements relate.

Value at Risk ('VaR') disclosure

The ACD uses Value at Risk ('VaR') to measure the risks relating to the financial assets in which the Sub-funds are invested.

VaR is a statistical measurement. It intends to measure the maximum potential loss in the Sub-fund's Net Asset Value under normal market conditions and is calculated for a given confidence level (probability) over a specific time period.

On a daily basis the funds are managed by the ACD according to the commitment based approach to managing global exposure which is subject to a 100% limit. The VaR figures disclosed in the accounts are based on the historical method. Historical patterns can be a poor measure of future trends. A confidence level of 99% is employed, with a data history of 2 years, and a holding period of one month (20 days).

The Absolute VaR of a UCITS cannot be greater than 20% of its NAV, and therefore the VaR limit set during the financial year to 30 April 2024 was 20% (2023: 20%).

The lowest, highest and average VaR, as well as utilisation of VaR with reference to the limit above, are calculated during the financial year end 30 April 2024.

Market price risk

Market price risk arises mainly from uncertainty about future prices of financial instruments held. It represents the potential loss the Sub-fund might suffer through holding market positions in the face of price movements. This means the value of an investor's holding may go down as well as up and an investor may not recover the amount invested. Investors should consider the degree of exposure of the Sub-fund in the context of all their investments.

The Sub-fund's investment portfolio is exposed to market price fluctuations, which are monitored by the Company as per the policies as set out in the Prospectus. The investment guidelines and investment and borrowing powers set out in the Instrument of Incorporation, the Prospectus and in the Financial Conduct Authority's Collective Investment Schemes Sourcebook describe the nature of the market risk to which the Sub-fund will be exposed.

Currency risk

Although the Sub-fund's capital and income are denominated in sterling, a proportion of the Sub-fund's investments may have currency exposure and, as a result, the income and capital value of the Sub-fund are affected by currency movements.

Currency risk is the risk that the value of the Sub-fund's investments will fluctuate as a result of changes in currency exchange rates. For Sub-funds where a proportion of the net assets of the Sub-fund is denominated in currencies other than sterling, the balance sheet can be affected by movements in exchange rates. The Company monitors the currency exposure of the Sub-fund and may seek to manage exposure to currency movements by using forward exchange contracts or by hedging the sterling value of investments that are priced in other currencies.

In addition to any direct currency rate risk in the Sub-funds there may also be indirect exposure via the underlying funds held by the Sub-funds.

Interest rate risk

Interest rate risk is the risk that the value of the Sub-fund's investments will fluctuate as a result of changes in interest rates. The Sub-fund may invest in fixed and floating rate securities or schemes that invest in fixed or floating rate securities. The revenue of these Sub-funds may be affected by changes in interest rates relevant to particular securities or as a result of the ACD being unable to secure similar returns on the expiry of contracts or sale of securities. The value of fixed interest securities may be affected by interest rate movements or the expectation of such movements in the future.

A risk limit system is employed to monitor the risks related to the investment types, concentration and diversification of the Sub-funds' portfolios.

Interest receivable on bank deposits or payable on bank overdraft positions will be affected by fluctuations in interest rates.

In addition to any direct interest rate risk in the Sub-funds there may also be indirect exposure via the underlying funds held by the Sub-funds.

Accounting Policies and Risk Management Policies

continued

2. Risk Management Policies and Disclosures (continued)

Credit risk

Credit risk arises from two main sources. Firstly, the possibility that the issuer of a security will be unable to pay interest and principal in a timely manner. Secondly, there is the possibility of default of the issuer and default in the underlying assets of a collective investment scheme, meaning that a Sub-fund may not receive back the full principal originally invested. Adhering to investment guidelines and avoiding excessive exposure to one particular issuer or scheme can limit credit risk.

There are no net borrowings or unlisted securities and the ACD considers that the Sub-funds have little exposure to credit risk.

Stress testing and scenario analysis is carried out on a regular basis.

Liquidity risk

Liquidity risk is the risk that a Sub-fund cannot raise sufficient cash to meet its liabilities when due. One of the key factors influencing this will be the ability to sell investments at, or close to, the fair value without a significant loss being realised.

Under normal circumstances, a Sub-fund will remain close to fully invested. However, where circumstances require: either because a view of illiquid securities markets or high levels of redemptions in the Sub-fund, the Sub-fund may hold cash and/or more liquid assets. Temporary higher liquidity levels may also arise during the carrying out of a change in asset allocation policy or following a large issue of shares.

The ACD manages the Sub-fund's cash to ensure they can meet their liabilities. In addition, the Manager monitors market liquidity of all securities, seeking to ensure the Sub-funds maintain sufficient liquidity to meet known and potential redemption activity. Sub-funds' cash balances are monitored daily by the Manager and the Investment Manager. All of the Sub-fund's financial liabilities are payable on demand or in less than one year.

Apex Fundrock Limited ('AFL') conducts regular monitoring to ensure the liquidity profile of the Sub-funds investments comply with their underlying obligations, particularly their ability to meet redemption requests.

Stress tests are undertaken, under normal and exceptional liquidity conditions, in order to assess the liquidity risk of each Sub-fund.

Counterparty risk

The risk that the counterparty will not deliver the investments for a purchase or the cash for a sale after the Sub-fund has fulfilled its responsibilities which could result in the Sub-fund suffering a loss. The Investment Manager minimises the risk by conducting trades through only the most reputable counterparties.

Derivatives

The Sub-funds may enter into derivative contracts for Efficient Portfolio Management ('EPM') purposes (including hedging) or investment purposes. The purposes of EPM must be to achieve reduction of risk, the reduction of cost, or the generation of additional income or capital with an acceptably low level of risk and the use of these instruments must not cause the Sub-fund to stray from its investment objectives.

Any EPM transaction must be economically appropriate and the exposure fully covered. The ACD monitors the use of derivatives to ensure EPM rules are satisfied.

In the opinion of the ACD there is no sophisticated derivative use within the Sub-funds and accordingly a sensitivity analysis is not presented.

Fair value of financial assets and liabilities

Investments disclosed as at the balance sheet date are at fair value. Current assets and liabilities disclosed in the balance sheet are at amortised cost which is approximate to fair value.

MI Quilter Cheviot Alternative Assets Fund

Investment Objective and Policy

for the year ended 30 April 2024

Investment Objective

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

Investment Policy

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

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

The Sub-fund may invest directly or indirectly in order to gain exposure to a diversified portfolio of asset classes. The Sub-fund will typically invest at least 90% of the portfolio indirectly but at times, dependent on market conditions and the Investment Manager's view of the market, the indirect exposure may be higher or lower, but it is not expected to ever fall below 80%.

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

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

Investment Manager's Report

for the year ended 30 April 2024

Market Commentary

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

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

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

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

Investment Manager's Report

continued

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

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

Investment Review

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

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

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

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

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

MI Quilter Cheviot Alternative Assets Fund

Investment Manager's Report

continued

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

Outlook

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

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

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

~Source: Data provided by FactSet.

Portfolio Statement

as at 30 April 2024

Holding	Security	Market value £	% of total net assets 2024
Closed-Ended Investments 20.70% (16.35%)			
987,078	3i Infrastructure	3,282,034	2.23
719,511	BH Macro	2,586,642	1.75
1,924,577	Chrysalis Investments	1,572,380	1.06
292,770	HarbourVest Global Private Equity	6,704,433	4.54
1,455,653	HgCapital Trust	6,950,743	4.70
2,585,019	International Public Partnerships	3,272,634	2.21
3,310,987	Renewables Infrastructure	3,310,987	2.24
3,673,886	Sequoia Economic Infrastructure Income	2,917,066	1.97
		30,596,919	20.70
Open-Ended and Miscellaneous Investment Vehicles 75.40% (73.65%)			
6,217,312	ARC TIME Property Long Income & Growth PAIF - Z Net Income*	4,907,946	3.32
2,936,244	abrdn UK Real Estate Share - I Accumulation*	6,772,153	4.58
28,928	Aspect Diversified Trends - P GBP Institutional*	5,696,007	3.85
49,307	BlackRock ICS Sterling Liquidity Premier - Accumulation*	5,597,292	3.79
929,759	CT Property Growth & Income - Q Income*	8,497,795	5.75
113,164	Fidante Partners Liquid Strategies ICAV - Ardea Global Alpha - X GBP Hedged Income*	10,957,703	7.41
473,617	HSBC MSCI World UCITS ETF - USD Distributing	12,626,629	8.54
12,877	iShares £ Corp Bond 0-5yr UCITS ETF - GBP Distributing	1,277,397	0.86
1,012,924	iShares MSCI Target UK Real Estate UCITS ETF - GBP Distributing	4,065,877	2.75
48,784	iShares UK Gilts 0-5yr UCITS ETF - GBP Distributing	6,144,833	4.16
6,612,958	Janus Henderson Absolute Return - G Accumulation*	7,928,937	5.37
7,703,759	Legal & General UK Property - I Class Distribution*	4,061,422	2.75
77,985	MontLake UCITS Fund Platform ICAV - Mygale Event Driven UCITS*	8,605,230	5.82
659,801	PIMCO GIS Dynamic Multi-Asset - Institutional GBP (Hedged) Accumulation*	8,425,661	5.70
4,037,751	Royal London Short Term Money Market - Y Income*	4,025,057	2.73
42,199	Trium ESG Emissions Improvers - F GBP Accumulation*	5,488,402	3.72
4,206,690	Trojan - X Income*	5,425,368	3.67
9,653	Vanguard Global Short-Term Bond Index - Institutional Plus*	930,999	0.63
		111,434,708	75.40
REAL ESTATE 3.27% (4.81%)			
Real Estate Investment Trusts 3.27% (4.81%)			
8,384,776	Assura	3,454,528	2.34
1,727,357	PRS REIT	1,364,612	0.93
		4,819,140	3.27
Investment assets		146,850,767	99.37
Net other assets		936,307	0.63
Net assets		147,787,074	100.00

All investments are ordinary shares or stock units on a regulated securities market unless otherwise stated. The percentages in brackets show the equivalent % holdings as at 30.04.23.

*Collective Investment Schemes permitted under COLL, not listed on any exchange.

MI Quilter Cheviot Alternative Assets Fund

Comparative Tables

Change in net assets per share

A Income~	30.04.24 p	30.04.23 p	30.04.22 p
Opening net asset value per share	87.13	99.92	100.00 [†]
Return before operating charges [^]	7.69	-10.81	0.83
Operating charges	-0.53	-0.93	-0.52
Return after operating charges [^]	7.16	-11.74	0.31 ^{^^}
Distributions	-2.00	-1.05	-0.39
Closing net asset value per share	92.29	87.13	99.92
[^] After direct transaction costs of	0.00	0.05	-0.13
Performance			
Return after charges	8.22%	-11.75%	0.31%
Other information			
Closing net asset value	£95,532,821	£80,890,763	£103,300,364
Closing number of shares	103,513,617	92,843,147	103,385,979
Operating charges	0.59%	1.02%	0.52%
Ongoing operating charges ^{‡*}	0.59%	1.02%	0.59%
Direct transaction costs	0.00%	-0.05%	0.13%
Prices			
Highest share price	92.95	99.89	104.86
Lowest share price	85.78	85.29	94.88

A Accumulation~~	30.04.24 p	30.04.23 p	30.04.22 p
Opening net asset value per share	86.12	97.50	100.00 [†]
Return before operating charges [^]	7.67	-10.47	-1.99
Operating charges	-0.53	-0.91	-0.51
Return after operating charges [^]	7.14	-11.38	-2.50
Distributions	-2.00	-1.06	-0.34
Retained distributions on accumulation shares	2.00	1.06	0.34
Closing net asset value per share	93.26	86.12	97.50
[^] After direct transaction costs of	0.00	0.04	-0.13
Performance			
Return after charges	8.29%	-11.67%	-2.50%
Other information			
Closing net asset value	£52,254,168	£37,395,343	£966,403
Closing number of shares	56,029,441	43,424,158	991,167
Operating charges	0.59%	1.02%	0.52%
Ongoing operating charges ^{‡*}	0.59%	1.02%	0.59%
Direct transaction costs	0.00%	-0.05%	0.13%
Prices			
Highest share price	93.20	97.44	101.93
Lowest share price	84.76	83.99	92.36

~A Income share class launched on 30 September 2021.

~~A Accumulation share class launched on 13 December 2021.

[†]Launch Price.

^{^^}A Income return after charges for the period 13 December 2021 to 30 April 2022 was -2.50%.

Comparative Tables

continued

B Income~~~	30.04.24 p
Opening net asset value per share	100.00 [†]
Return before operating charges [^]	3.55
Operating charges	-1.40
Return after operating charges [^]	2.15
Redemption payment	-101.89
Distributions	-0.26
Retained distributions on accumulation shares	0.00
Closing net asset value per share	0.00
[^] After direct transaction costs of	0.00
Performance	
Return after charges	2.15%
Other information	
Closing net asset value	£0
Closing number of shares	0
Operating charges	1.39%
Ongoing operating charges ^{‡*}	1.39%
Direct transaction costs	0.00%
Prices	
Highest share price	102.00
Lowest share price	98.11

B Accumulation~~~~	30.04.24 p
Opening net asset value per share	100.00 [†]
Return before operating charges [^]	1.04
Operating charges	-0.59
Return after operating charges [^]	0.45
Distributions	0.42
Retained distributions on accumulation shares	-0.42
Closing net asset value per share	100.45
[^] After direct transaction costs of	0.00
Performance	
Return after charges	0.45%
Other information	
Closing net asset value	£85
Closing number of shares	85
Operating charges	0.59%
Ongoing operating charges ^{‡*}	1.39%
Direct transaction costs	0.00%
Prices	
Highest share price	100.80
Lowest share price	99.76

~~~B Income share class launched on 9 May 2023 and dis-invested 18 September 2023.

~~~~B Accumulation share class launched on 17 April 2024.

[†]Launch Price.

[‡]From 31 October 2023, as a result of changes to guidance, Closed-Ended funds are not included within the synthetic ongoing charges.

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

*The Net Asset Value of the Sub-fund has increased by more than 10% if compared to the average Net Asset Value for the year. Taking an average of the daily Net Asset Value for the last month of the year has no overall effect on the operating charges. The Investment Manager has waived the Investment Manager's fee on the B Accumulation share class until further investment is received. This will increase the operating charges by 0.80%. The ACD believes this to be more representative of the charges going forward.

MI Quilter Cheviot Alternative Assets Fund

Comparative Tables

continued

The return after charges is calculated as the closing Net Asset Value per share plus the distributions on income shares minus the opening Net Asset Value per share as a % of the opening Net Asset Value per share. The basis of valuation of investments used to calculate Net Asset Value per share is described in notes to the Financial Statements 1h) and complies with requirements of the current Statement of Recommended Practice for Financial Statements of UK Authorised Funds. This differs from the basis used to calculate daily published single prices, in which listed investments are valued at 12:00 mid prices.

Direct transaction costs include fees, commissions, transfer taxes and duties in the purchasing and selling of investments, which are offset (where applicable) against any dilution levies charged within the accounting year. The figures used within the table have been calculated against the average Net Asset Value for the accounting year.

Risk and Reward Profile

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



The Sub-fund is ranked 4 because funds of this type have experienced average rises and falls in value in the past. Please note that even the lowest risk class can lose you money and that extreme market circumstances can mean you suffer severe losses in all cases. These indicators do not take into account the following risks of investing in this Sub-fund:

- Investing overseas can bring additional returns and spread risk to different markets. There are risks, however, that changes in currency exchange rates may cause the value of your investment to decrease or increase.
- Investing in other funds may expose investors to increased risk due to less strict regulations and the use of derivatives. These other funds can themselves invest into assets such as bonds, company shares, cash and currencies. The objectives and risk profiles of these underlying funds may not be fully in line with those of this Sub-fund.
- The Sub-fund may invest in property funds which can be less liquid than other asset classes.
- In difficult market conditions, the value of some investments may be less predictable than normal and the Sub-fund may not be able to buy and sell these investments at the best time or at a fair price. This could affect the Sub-fund's performance, potentially reducing your returns.
- The Sub-fund may invest in bond funds which will be impacted by changes in interest rates, inflation and any decline in creditworthiness of the underlying bond issuers.
- The Sub-fund can use derivatives in order to meet its investment objectives or to protect from price and currency movement. This may result in gains or losses that are greater than the original amount invested.
- For further risk information please see the Prospectus.

Risk warning

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

Statement of Total Return

for the year ended 30 April 2024

| | Note | £ | 30.04.24
£ | £ | 30.04.23
£ |
|---|------|-----------|-------------------|-----------|---------------------|
| Income | | | | | |
| Net capital gains/(losses) | 2 | | 7,377,452 | | (12,993,767) |
| Revenue | 3 | 3,542,980 | | 1,530,186 | |
| Expenses | 4 | (165,880) | | (147,542) | |
| Net revenue before taxation | | 3,377,100 | | 1,382,644 | |
| Taxation | 5 | (448,823) | | (164,997) | |
| Net revenue after taxation | | | 2,928,277 | | 1,217,647 |
| Total return before distributions | | | 10,305,729 | | (11,776,120) |
| Distributions | 6 | | (2,928,265) | | (1,217,610) |
| Change in net assets attributable to Shareholders from investment activities | | | 7,377,464 | | (12,993,730) |

Statement of Change in Net Assets Attributable to Shareholders

for the year ended 30 April 2024

| | £ | 30.04.24
£ | £ | 30.04.23
£ |
|--|--------------|--------------------|--------------|--------------------|
| Opening net assets attributable to Shareholders | | 118,286,106 | | 104,266,767 |
| Amounts receivable on issue of shares | 58,128,640 | | 58,639,645 | |
| Less: Amounts payable on cancellation of shares | (37,050,725) | | (31,953,424) | |
| | | 21,077,915 | | 26,686,221 |
| Dilution levy | | – | | 46,623 |
| Change in net assets attributable to Shareholders from investment activities (see Statement of Total Return above) | | 7,377,464 | | (12,993,730) |
| Retained distributions on accumulation shares | | 1,045,589 | | 280,225 |
| Closing net assets attributable to Shareholders | | 147,787,074 | | 118,286,106 |

The notes on pages 21 to 27 form an integral part of these Financial Statements.

MI Quilter Cheviot Alternative Assets Fund

Balance Sheet

as at 30 April 2024

| | Note | £ | 30.04.24 | £ | 30.04.23 | £ |
|--|------|-------------|--------------------|-------------|--------------------|---|
| ASSETS | | | | | | |
| Fixed assets | | | | | | |
| Investments | | | 146,850,767 | | 112,147,046 | |
| Current assets | | | | | | |
| Debtors | 7 | 1,626,527 | | 3,850,669 | | |
| Cash and bank balances | 9 | 3,005,318 | | 9,028,788 | | |
| Total current assets | | | 4,631,845 | | 12,879,457 | |
| Total assets | | | 151,482,612 | | 125,026,503 | |
| LIABILITIES | | | | | | |
| Creditors | | | | | | |
| Distribution payable | | (748,300) | | (301,369) | | |
| Other creditors | 8 | (2,947,238) | | (6,439,028) | | |
| Total creditors | | | (3,695,538) | | (6,740,397) | |
| Total liabilities | | | (3,695,538) | | (6,740,397) | |
| Net assets attributable to Shareholders | | | 147,787,074 | | 118,286,106 | |

The notes on pages 21 to 27 form an integral part of these Financial Statements.

Notes to the Financial Statements

for the year ended 30 April 2024

1. Accounting Policies

The Sub-fund's Financial Statements have been prepared on the same basis as the Accounting Policies stated on pages 8 and 9.

2. Net Capital Gains/(Losses)^

| | Realised
£ | 30.04.24
Unrealised
£ | Total
£ |
|---------------------------|------------------|-----------------------------|------------------|
| Non-derivative securities | (918,096) | 8,304,114 | 7,386,018 |
| Currency losses | (375) | – | (375) |
| Transaction charges | (8,191) | – | (8,191) |
| Net capital gains | (926,662) | 8,304,114 | 7,377,452 |

| | Realised
£ | 30.04.23
Unrealised
£ | Total
£ |
|---------------------------|--------------------|-----------------------------|---------------------|
| Non-derivative securities | (1,372,569) | (11,610,324) | (12,982,893) |
| Currency losses | (341) | – | (341) |
| Transaction charges | (10,533) | – | (10,533) |
| Net capital losses | (1,383,443) | (11,610,324) | (12,993,767) |

^Where realised gains/losses include gains/losses arising in prior years, a corresponding loss/gain is included within the unrealised gains/loss presented.

3. Revenue

| | 30.04.24
£ | 30.04.23
£ |
|---|------------------|------------------|
| UK dividends: Ordinary | 147,555 | 255,859 |
| Interest distributions | 35,306 | – |
| Property income distributions | 375,706 | 191,031 |
| Distributions from Regulated Collective Investment Schemes: | | |
| Franked investment income | 686,247 | 70,055 |
| Unfranked investment income | 773,948 | 560,179 |
| Interest distributions | 1,322,105 | 186,799 |
| Offshore distributions | – | 231,742 |
| Bank interest | 202,113 | 34,521 |
| Total revenue | 3,542,980 | 1,530,186 |

4. Expenses

| | 30.04.24
£ | 30.04.23
£ |
|---|---------------|---------------|
| Payable to the Authorised Corporate Director ('ACD'), associates of the ACD and agents of either of them: | | |
| ACD's fee | 30,344 | 25,612 |
| Administration fees | 43,207 | 35,894 |
| Registration fees | 55,877 | 48,659 |
| | 129,428 | 110,165 |

MI Quilter Cheviot Alternative Assets Fund

Notes to the Financial Statements

continued

4. Expenses (continued)

| | 30.04.24
£ | 30.04.23
£ |
|---|----------------|----------------|
| Payable to the Investment Manager, associates of the Investment Manager and agents of either of them: | | |
| Investment Manager's fee | 41 | – |
| Payable to the Depositary, associates of the Depositary and agents of either of them: | | |
| Depositary's fee (including VAT) | 11,763 | 10,601 |
| Safe custody and other bank charges | 4,522 | 4,204 |
| | 16,285 | 14,805 |
| Auditor's remuneration*: | | |
| Audit fee | 10,870 | 10,065 |
| Tax compliance services | 2,349 | 2,163 |
| | 13,219 | 12,228 |
| Other expenses: | | |
| Legal fees | 5,339 | 10,402 |
| Printing costs | 1,568 | (58) |
| | 6,907 | 10,344 |
| Expenses | 165,880 | 147,542 |

*Included within the auditors remuneration is irrecoverable VAT of £2,203 (2023: £2,038).

5. Taxation

| | 30.04.24
£ | 30.04.23
£ |
|---|----------------|----------------|
| (a) Analysis of charge in the year: | | |
| Corporation tax at 20% | 489,560 | 164,997 |
| Overseas tax | 128,235 | – |
| Income tax recoverable | (168,972) | – |
| Total tax charge (note 5b) | 448,823 | 164,997 |
| (b) Factors affecting taxation charge for the year: | | |
| Net revenue before taxation | 3,377,100 | 1,382,644 |
| Corporation tax at 20% | 675,420 | 276,529 |
| Effects of: | | |
| UK dividends | (166,760) | (65,183) |
| Overseas tax expensed | 128,235 | – |
| Non-taxable overseas earnings | (19,100) | (46,349) |
| Income tax recoverable | (168,972) | – |
| Total tax charge (note 5a) | 448,823 | 164,997 |

(c) Deferred tax

There was no liability to deferred tax at the balance sheet date (2023: nil).

Notes to the Financial Statements

continued

6. Distributions

The distributions take account of revenue received on the issue of shares and revenue deducted on the cancellation of shares, and comprise:

| | | 30.04.24 | 30.04.23 |
|---|----------|------------------|------------------|
| | | £ | £ |
| First interim distribution | 31.07.23 | 645,025 | 170,618 |
| Second interim distribution | 31.10.23 | 258,095 | 347,479 |
| Third interim distribution | 31.01.24 | 922,590 | 319,913 |
| Final distribution | 30.04.24 | 1,155,970 | 439,718 |
| | | 2,981,680 | 1,277,728 |
| Revenue deducted on cancellation of shares | | 81,975 | 38,052 |
| Revenue received on issue of shares | | (135,390) | (98,170) |
| Distributions | | 2,928,265 | 1,217,610 |
| Reconciliation of net revenue after taxation to net distributions: | | | |
| Net revenue after taxation per Statement of Total Return | | 2,928,277 | 1,217,647 |
| Undistributed revenue brought forward | | 78 | 41 |
| Undistributed revenue carried forward | | (90) | (78) |
| Distributions | | 2,928,265 | 1,217,610 |

7. Debtors

| | | 30.04.24 | 30.04.23 |
|------------------------------|--|------------------|------------------|
| | | £ | £ |
| Amounts receivable on issues | | 935,203 | 693,698 |
| Sales awaiting settlement | | – | 2,844,871 |
| Accrued income: | | | |
| Dividends receivable | | 585,780 | 306,862 |
| UK income tax recoverable | | 105,257 | 3,601 |
| Prepaid expenses: | | | |
| Legal fees | | 287 | 1,637 |
| Total debtors | | 1,626,527 | 3,850,669 |

8. Other Creditors

| | | 30.04.24 | 30.04.23 |
|---|--|-----------------|-----------------|
| | | £ | £ |
| Amounts payable on cancellations | | 397,431 | 432,116 |
| Purchases awaiting settlement | | 2,028,628 | 5,814,348 |
| Accrued expenses: | | | |
| Amounts payable to the Authorised Corporate Director ('ACD'), associates of the ACD and agents of either of them: | | | |
| ACD's fee | | 2,739 | 2,391 |
| Administration fee | | 3,936 | 3,382 |
| Registration fees | | 4,870 | 4,238 |
| | | 11,545 | 10,011 |

MI Quilter Cheviot Alternative Assets Fund

Notes to the Financial Statements

continued

8. Other Creditors (continued)

| | 30.04.24
£ | 30.04.23
£ |
|---|------------------|------------------|
| Amounts payable to the Depositary, associates of the Depositary and agents of either of them: | | |
| Depositary's fee (including VAT) | 2,987 | 1,857 |
| Safe custody and other bank charges | 1,207 | 704 |
| | <hr/> 4,194 | <hr/> 2,561 |
| Other expenses: | | |
| Auditor's remuneration*: | | |
| Audit fee | 10,870 | 10,065 |
| Tax compliance services | 2,349 | 4,140 |
| | <hr/> 13,219 | <hr/> 14,205 |
| Other accrued expenses: | | |
| Printing costs | 636 | 790 |
| Taxation payable: | | |
| Corporation tax payable | 491,585 | 164,997 |
| | <hr/> | <hr/> |
| Total other creditors | 2,947,238 | 6,439,028 |

* Included within the auditors remuneration is irrecoverable VAT of £2,203 (2023: £2,368).

9. Cash and Bank Balances

| | 30.04.24
£ | 30.04.23
£ |
|-------------------------------|------------------|------------------|
| Cash and bank balances | 3,005,318 | 9,028,788 |
| Cash and bank balances | 3,005,318 | 9,028,788 |

10. Related Party Transactions

Apex Fundrock Limited ('AFL') is regarded as a related party by virtue of having the ability to act in respect of the operations of the Sub-fund in its capacity as the Authorised Corporate Director ('ACD').

ACD and other fees payable to AFL are disclosed in note 4 and amounts due at the year end are shown in note 8.

Fees payable to Quilter Cheviot Limited (the Investment Manager) are disclosed in note 4 and amounts due at the year end are shown in note 8.

Amounts receivable on issue and payable on cancellation of shares and dilution levy are disclosed in the Statement of Change in Net Assets Attributable to Shareholders and in note 6, amounts due at the year end are shown in notes 7 and 8.

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

11. Contingent Liabilities and Outstanding Commitments

There were no contingent liabilities or outstanding commitments at the balance sheet date (2023: none).

Notes to the Financial Statements

continued

12. Risk Management Policies and Disclosures

The main risks arising from financial instruments and the ACD's policies for managing these risks are disclosed in note 2 on pages 9 to 11.

Numerical disclosures relating to the Sub-fund are as follows:

Disclosure of VaR limit

| | 30.04.24
% of VaR | Utilisation of
VaR (*) 20% | 30.04.23
% of VaR | Utilisation of
VaR (*) 20% |
|--------------------|----------------------|-------------------------------|----------------------|-------------------------------|
| VaR at period end: | 4.42 | 22.10 | 4.64 | 23.20 |
| Minimum VaR: | 3.96 | 19.80 | 4.59 | 22.95 |
| Maximum VaR: | 4.90 | 24.50 | 6.01 | 30.05 |
| Average VaR: | 4.47 | 22.35 | 5.33 | 26.65 |

*The VaR on the Sub-fund has been divided by its maximum limit.

Currency risk

The table below details the currency risk profile at the balance sheet date:

| | 30.04.24
Total
£ | 30.04.23
Total
£ |
|----------------------|------------------------|------------------------|
| Pound sterling | 126,684,703 | 101,764,515 |
| United States dollar | 21,102,371 | 16,521,591 |
| | 147,787,074 | 118,286,106 |

At the balance sheet date, if the value of sterling increased or decreased by 10%, with all other variables held constant, then the net assets attributable to Shareholders would increase or decrease by approximately £2,110,237 (2023: £1,652,159).

MI Quilter Cheviot Alternative Assets Fund

Notes to the Financial Statements

continued

13. Portfolio Transaction Costs

30.04.24

| Analysis of purchases | Total purchase cost
£ | Commissions paid | | £ | Taxes
% | Purchases before transaction cost
£ |
|--|--------------------------|------------------|------|---|------------|--|
| | | £ | % | | | |
| Equities | 22,933,819 | – | 0.00 | – | 0.00 | 22,933,819 |
| Funds | 22,570,184 | – | 0.00 | – | 0.00 | 22,570,184 |
| Total purchases after commissions and tax | 45,504,003 | | | | | |

| Analysis of sales | Net sale proceeds
£ | Commissions paid | | £ | Taxes
% | Sales before transaction cost
£ |
|--|------------------------|------------------|------|---|------------|------------------------------------|
| | | £ | % | | | |
| Equities | 5,355,842 | – | 0.00 | – | 0.00 | 5,355,842 |
| Corporate actions | (5,047,754) | – | 0.00 | – | 0.00 | (5,047,754) |
| Funds | 8,148,094 | – | 0.00 | – | 0.00 | 8,148,094 |
| Total sales after commissions and tax | 8,456,182 | | | | | |
| Commission as a % of average net assets | 0.00% | | | | | |
| Taxes as a % of the average net assets | 0.00% | | | | | |

30.04.23

| Analysis of purchases | Total purchase cost
£ | Commissions paid | | £ | Taxes
% | Purchases before transaction cost
£ |
|--|--------------------------|------------------|------|---|------------|--|
| | | £ | % | | | |
| Equities | 7,726,288 | – | 0.00 | 2 | 0.00 | 7,726,286 |
| Funds | 35,002,079 | – | 0.00 | – | 0.00 | 35,002,079 |
| Total purchases after commissions and tax | 42,728,367 | | | | | |

| Analysis of sales | Net sale proceeds
£ | Commissions paid | | £ | Taxes
% | Sales before transaction cost
£ |
|--|------------------------|------------------|------|---|------------|------------------------------------|
| | | £ | % | | | |
| Equities | 2,291,038 | – | 0.00 | 2 | 0.00 | 2,291,040 |
| Funds | 10,755,492 | – | 0.00 | – | 0.00 | 10,755,492 |
| Total sales after commissions and tax | 13,046,530 | | | | | |
| Commission as a % of average net assets | 0.00% | | | | | |
| Taxes as a % of the average net assets | 0.00% | | | | | |

Commissions and taxes as a % of the average net assets form part of the direct transaction costs stated within the comparative tables on pages 16 to 18. The direct transaction costs within the comparative tables may differ due to the effect of dilution levies charged (where applicable).

14. Portfolio Dealing Spread

The average portfolio dealing spread at 30 April 2024 is 0.09% (2023: 0.17%).

Notes to the Financial Statements

continued

15. Post Balance Sheet Events

There were no notifiable events post the year end balance sheet date.

16. Fair Value Disclosure

| Valuation technique | 30.04.24 | | 30.04.23 | |
|------------------------|--------------------|------------------|--------------------|------------------|
| | Assets
£ | Liabilities
£ | Assets
£ | Liabilities
£ |
| Level 1 [^] | 59,530,795 | – | 42,151,747 | – |
| Level 2 ^{^^} | 87,319,972 | – | 69,995,299 | – |
| Level 3 ^{^^^} | – | – | – | – |
| | 146,850,767 | – | 112,147,046 | – |

[^]Level 1: Unadjusted quoted price in an active market for an identical instrument.

^{^^}Level 2: Valuation techniques using observable inputs other than quoted prices within level 1.

^{^^^}Level 3: Valuation techniques using unobservable inputs.

17. Shares in Issue

| | A
Income
GBP | A
Accumulation
GBP | B
Income
GBP | B
Accumulation
GBP |
|---------------------------------|--------------------|--------------------------|--------------------|--------------------------|
| Opening number of shares | 92,843,147 | 43,424,158 | – | – |
| Shares issued | 35,983,189 | 28,759,564 | 13,981 | 85 |
| Shares cancelled | (25,296,715) | (16,168,262) | (13,981) | – |
| Shares converted | (16,004) | 13,981 | – | – |
| Closing number of Shares | 103,513,617 | 56,029,441 | – | 85 |

MI Quilter Cheviot Alternative Assets Fund

Distribution Tables

for the year ended 30 April 2024

Income share distributions

| Share class | Distribution | Shares | Net revenue
p | Equalisation
p | Distribution paid/payable
2024
p | Distribution paid
2023
p |
|-------------|----------------|----------------------|------------------|-------------------|--|--------------------------------|
| A Income | First interim | Group 1 | 0.4633 | – | 0.4633 | 0.1693 |
| | | Group 2 | 0.2557 | 0.2076 | 0.4633 | 0.1693 |
| | Second interim | Group 1 | 0.1845 | – | 0.1845 | 0.2849 |
| | | Group 2 | 0.0611 | 0.1234 | 0.1845 | 0.2849 |
| | Third interim | Group 1 | 0.6296 | – | 0.6296 | 0.2716 |
| | | Group 2 | 0.2703 | 0.3593 | 0.6296 | 0.2716 |
| | Final | Group 1 | 0.7229 | – | 0.7229 | 0.3246 |
| | | Group 2 | 0.5571 | 0.1658 | 0.7229 | 0.3246 |
| B Income* | First interim | Group 1 | 0.2604 | – | 0.2604 | n/a |
| | | Group 2 [^] | 0.2604 | – | 0.2604 | n/a |
| | Second interim | Group 1 | n/a | n/a | n/a | n/a |
| | | Group 2 | n/a | n/a | n/a | n/a |
| | Third interim | Group 1 | n/a | n/a | n/a | n/a |
| | | Group 2 | n/a | n/a | n/a | n/a |
| | Final | Group 1 | n/a | n/a | n/a | n/a |
| | | Group 2 | n/a | n/a | n/a | n/a |

Accumulation share distributions

| Share class | Distribution | Shares | Net revenue
p | Equalisation
p | Amount reinvested
2024
p | Amount reinvested
2023
p |
|------------------|----------------|----------------------|------------------|-------------------|--------------------------------|--------------------------------|
| A Accumulation | First interim | Group 1 | 0.4579 | – | 0.4579 | 0.1800 |
| | | Group 2 | 0.2627 | 0.1952 | 0.4579 | 0.1800 |
| | Second interim | Group 1 | 0.1833 | – | 0.1833 | 0.2935 |
| | | Group 2 | 0.0669 | 0.1164 | 0.1833 | 0.2935 |
| | Third interim | Group 1 | 0.6302 | – | 0.6302 | 0.2655 |
| | | Group 2 | 0.1970 | 0.4332 | 0.6302 | 0.2655 |
| | Final | Group 1 | 0.7276 | – | 0.7276 | 0.3186 |
| | | Group 2 | 0.5822 | 0.1454 | 0.7276 | 0.3186 |
| B Accumulation** | First interim | Group 1 | n/a | n/a | n/a | n/a |
| | | Group 2 | n/a | n/a | n/a | n/a |
| | Second interim | Group 1 | n/a | n/a | n/a | n/a |
| | | Group 2 | n/a | n/a | n/a | n/a |
| | Third interim | Group 1 | n/a | n/a | n/a | n/a |
| | | Group 2 | n/a | n/a | n/a | n/a |
| | Final | Group 1 | 0.4159 | – | 0.4159 | n/a |
| | | Group 2 [^] | 0.4159 | – | 0.4159 | n/a |

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

**Launched on 17 April 2024.

[^]No group 2 shares held in the distribution period.

Distribution Tables

continued

| | |
|------------------------|---------------------|
| First interim period: | 01.05.23 - 31.07.23 |
| Second interim period: | 01.08.23 - 31.10.23 |
| Third interim period: | 01.11.23 - 31.01.24 |
| Final period: | 01.02.24 - 30.04.24 |

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

Equalisation

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

MI Quilter Cheviot Asian and Emerging Markets Equity Fund

Investment Objective and Policy

for the year ended 30 April 2024

Investment Objective

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

Investment Policy

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

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

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

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

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

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

Investment Manager's Report

for the year ended 30 April 2024

Market Commentary

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

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

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

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

Investment Manager's Report

continued

market is an area very much in the spotlight, with a clear call to ensure the UK remains an attractive environment for companies to come to market.

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

Investment Review

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

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

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

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

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

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

Outlook

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

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

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

~Source: Data provided by FactSet.

MI Quilter Cheviot Asian and Emerging Markets Equity Fund

Portfolio Statement

as at 30 April 2024

| Holding | Security | Market value
£ | % of total
net assets
2024 |
|---|---|--------------------|----------------------------------|
| Open-Ended and Miscellaneous Investment Vehicles 98.46% (94.06%) | | | |
| 17,769,965 | Baillie Gifford Japanese Income Growth - W4 GBP Inc* | 24,824,642 | 13.61 |
| 11,495,109 | Fidelity Asia Pacific Opportunities - R GBP Accumulation* | 15,886,240 | 8.71 |
| 83,371 | iShares Core MSCI EM IMI UCITS ETF - USD Accumulation | 2,179,318 | 1.20 |
| 45,989 | iShares Core MSCI Japan IMI UCITS ETF - USD Accumulation | 1,956,832 | 1.07 |
| 15,052 | iShares Core MSCI Pacific ex-Japan ETF - USD Accumulation GBP | 2,015,463 | 1.11 |
| 19,372,095 | JPMorgan Emerging Markets - C Net Income* | 32,448,259 | 17.79 |
| 17,631,424 | M&G Japan - Sterling PP Income* | 25,447,433 | 13.95 |
| 2,429,701 | Pacific North of South Emerging Markets All Cap Equity - R2 GBP Distributing* | 31,926,271 | 17.51 |
| 703,327 | Sands Capital Emerging Markets Growth - A Accumulation GBP* | 13,222,552 | 7.25 |
| 19,662 | Veritas Asian - D GBP* | 15,517,520 | 8.51 |
| 148,854 | Vontobel - mtx Sustainable Emerging Markets Leaders - AQG GBP* | 14,129,222 | 7.75 |
| | | 179,553,752 | 98.46 |
| Investment assets | | 179,553,752 | 98.46 |
| Net other assets | | 2,799,779 | 1.54 |
| Net assets | | 182,353,531 | 100.00 |

All investments are ordinary shares or stock units on a regulated securities market unless otherwise stated. The percentages in brackets show the equivalent % holdings as at 30.04.23.

*Collective Investment Schemes permitted under COLL, not listed on any exchange.

MI Quilter Cheviot Asian and Emerging Markets Equity Fund

Comparative Tables

Change in net assets per share

| A Income~ | 30.04.24
p | 30.04.23
p | 30.04.22
p |
|--|---------------|---------------|----------------------|
| Opening net asset value per share | 85.20 | 87.95 | 100.00 [†] |
| Return before operating charges [^] | 8.59 | -0.41 | -11.21 |
| Operating charges | -0.70 | -0.50 | -0.69 |
| Return after operating charges [^] | 7.89 | -0.91 | -11.90 ^{^^} |
| Distributions | -1.66 | -1.84 | -0.15 |
| Closing net asset value per share | 91.43 | 85.20 | 87.95 |
| [^] After direct transaction costs of | 0.00 | 0.00 | 0.00 |
| Performance | | | |
| Return after charges | 9.26% | -1.03% | -11.90% |
| Other information | | | |
| Closing net asset value | £133,512,394 | £91,197,239 | £99,182,484 |
| Closing number of shares | 146,019,851 | 107,039,884 | 112,771,406 |
| Operating charges | 0.80% | 0.83% | 0.72% |
| Ongoing operating charges* | 0.79% | 0.81% | 0.81% |
| Direct transaction costs | 0.00% | 0.00% | 0.00% |
| Prices | | | |
| Highest share price | 93.60 | 89.75 | 103.91 |
| Lowest share price | 83.05 | 80.01 | 84.62 |

| A Accumulation~~ | 30.04.24
p | 30.04.23
p | 30.04.22
p |
|--|---------------|---------------|---------------------|
| Opening net asset value per share | 85.50 | 86.40 | 100.00 [†] |
| Return before operating charges [^] | 8.70 | -0.41 | -12.94 |
| Operating charges | -0.71 | -0.49 | -0.66 |
| Return after operating charges [^] | 7.99 | -0.90 | -13.60 |
| Distributions | -1.68 | -1.82 | -0.18 |
| Retained distributions on accumulation shares | 1.68 | 1.82 | 0.18 |
| Closing net asset value per share | 93.49 | 85.50 | 86.40 |
| [^] After direct transaction costs of | 0.00 | 0.00 | 0.00 |
| Performance | | | |
| Return after charges | 9.35% | -1.04% | -13.60% |
| Other information | | | |
| Closing net asset value | £48,841,051 | £17,238,419 | £906,867 |
| Closing number of shares | 52,241,044 | 20,161,519 | 1,049,633 |
| Operating charges | 0.80% | 0.83% | 0.72% |
| Ongoing operating charges* | 0.79% | 0.81% | 0.81% |
| Direct transaction costs | 0.00% | 0.00% | 0.00% |
| Prices | | | |
| Highest share price | 95.15 | 88.91 | 100.00 |
| Lowest share price | 83.87 | 79.52 | 83.12 |

~A Income share class launched on 30 September 2021.

~~A Accumulation share class launched on 13 December 2021.

[†]Launch Price.

^{^^}A Income return after charges for the period 13 December 2021 to 30 April 2022 was -14.73%.

MI Quilter Cheviot Asian and Emerging Markets Equity Fund

Comparative Tables

continued

| B Income~~~ | 30.04.24
p |
|--|-----------------------|
| Opening net asset value per share | 100.00 [†] |
| Return before operating charges [^] | 5.57 |
| Operating charges | -1.63 |
| Return after operating charges [^] | 3.94 |
| Redemption payment | -103.59 |
| Distributions | 0.35 |
| Closing net asset value per share | 0.00 |
| [^] After direct transaction costs of | 0.00 |
| Performance | |
| Return after charges | 3.94% |
| Other information | |
| Closing net asset value | £0 |
| Closing number of shares | 0 |
| Operating charges | 1.60% |
| Ongoing operating charges* | 1.59% |
| Direct transaction costs | 0.00% |
| Prices | |
| Highest share price | 104.87 |
| Lowest share price | 97.87 |

| B Accumulation~~~~ | 30.04.24
p |
|--|-----------------------|
| Opening net asset value per share | 100.00 [†] |
| Return before operating charges [^] | 1.73 |
| Operating charges | -0.80 |
| Return after operating charges [^] | 0.93 |
| Distributions | 0.00 |
| Retained distributions on accumulation shares | 0.00 |
| Closing net asset value per share | 100.93 |
| [^] After direct transaction costs of | 0.00 |
| Performance | |
| Return after charges | 0.93% |
| Other information | |
| Closing net asset value | £86 |
| Closing number of shares | 85 |
| Operating charges | 0.80% |
| Ongoing operating charges* | 1.59% |
| Direct transaction costs | 0.00% |
| Prices | |
| Highest share price | 101.08 |
| Lowest share price | 98.75 |

~~~B Income share class launched on 9 May 2023 and was dis-invested on 18 September 2023

~~~~B Accumulation share class launched on 17 April 2024

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

*The Net Asset Value of the Sub-fund has increased by more than 10% if compared to the average Net Asset Value for the year. Taking an average of the daily Net Asset Value for the last month of the year has the effect of decreasing the operating charges by 0.01%. The Investment Manager has waived the Investment Manager's fee on the B Accumulation share class until further investment is received. This will increase the operating charges by 0.80%. The ACD believes this to be more representative of the charges going forward.

MI Quilter Cheviot Asian and Emerging Markets Equity Fund

Comparative Tables

continued

The return after charges is calculated as the closing Net Asset Value per share plus the distributions on income shares minus the opening Net Asset Value per share as a % of the opening Net Asset Value per share. The basis of valuation of investments used to calculate Net Asset Value per share is described in notes to the Financial Statements 1h) and complies with requirements of the current Statement of Recommended Practice for Financial Statements of UK Authorised Funds. This differs from the basis used to calculate daily published single prices, in which listed investments are valued at 12:00 mid prices.

Direct transaction costs include fees, commissions, transfer taxes and duties in the purchasing and selling of investments, which are offset (where applicable) against any dilution levies charged within the accounting year. The figures used within the table have been calculated against the average Net Asset Value for the accounting year.

Risk and Reward Profile

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



The Sub-fund is ranked at 5 because funds of this type have experienced medium to high rises and falls in value in the past. Please note that even the lowest risk class can lose you money and that extreme market circumstances can mean you suffer severe losses in all cases. The indicator does not take into account the following risks of investing in this Sub-fund:

- Investing overseas can bring additional returns and spread risk to different markets. There are risks, however, that changes in currency exchange rates may cause the value of your investment to decrease or increase.
- Investing in other funds may expose investors to increased risk due to less strict regulations and the use of derivatives. These other funds can themselves invest into assets such as bonds, company shares, cash and currencies. The objectives and risk profiles of these underlying funds may not be fully in line with those of this Sub-fund.
- Emerging markets or less developed countries may face more political, economic or structural challenges than developed countries. This means your money is at greater risk.
- In difficult market conditions, the value of some investments may be less predictable than normal and the Sub-fund may not be able to buy and sell these investments at the best time or at a fair price. This could affect the Sub-fund's performance, potentially reducing your returns.
- For further risk information please see the Prospectus.

Risk warning

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

MI Quilter Cheviot Asian and Emerging Markets Equity Fund

Statement of Total Return

for the year ended 30 April 2024

| | Note | £ | 30.04.24
£ | £ | 30.04.23
£ |
|---|------|-----------|-------------------|-----------|--------------------|
| Income | | | | | |
| Net capital gains/(losses) | 2 | | 10,399,821 | | (2,965,924) |
| Revenue | 3 | 2,632,473 | | 2,110,372 | |
| Expenses | 4 | (97,694) | | (98,249) | |
| Net revenue before taxation | | 2,534,779 | | 2,012,123 | |
| Taxation | 5 | - | | - | |
| Net revenue after taxation | | | 2,534,779 | | 2,012,123 |
| Total return before distributions | | | 12,934,600 | | (953,801) |
| Distributions | 6 | | (2,534,854) | | (2,012,111) |
| Change in net assets attributable to Shareholders from investment activities | | | 10,399,746 | | (2,965,912) |

Statement of Change in Net Assets Attributable to Shareholders

for the year ended 30 April 2024

| | £ | 30.04.24
£ | £ | 30.04.23
£ |
|--|--------------|--------------------|--------------|--------------------|
| Opening net assets attributable to Shareholders | | 108,435,658 | | 100,089,351 |
| Amounts receivable on issue of shares | 88,666,887 | | 39,885,242 | |
| Less: Amounts payable on cancellation of shares | (25,765,120) | | (28,721,822) | |
| | | 62,901,767 | | 11,163,420 |
| Change in net assets attributable to Shareholders from investment activities (see Statement of Total Return above) | | 10,399,746 | | (2,965,912) |
| Retained distributions on accumulation shares | | 616,360 | | 148,799 |
| Closing net assets attributable to Shareholders | | 182,353,531 | | 108,435,658 |

The notes on pages 38 to 44 form an integral part of these Financial Statements.

MI Quilter Cheviot Asian and Emerging Markets Equity Fund

Balance Sheet

as at 30 April 2024

| | Note | £ | 30.04.24 | £ | 30.04.23 | £ |
|--|------|-----------|--------------------|-------------|--------------------|---|
| ASSETS | | | | | | |
| Fixed assets | | | | | | |
| Investments | | | 179,553,752 | | 101,991,970 | |
| Current assets | | | | | | |
| Debtors | 7 | 2,001,260 | | 5,226,419 | | |
| Cash and bank balances | 9 | 2,565,977 | | 3,042,221 | | |
| Total current assets | | | 4,567,237 | | 8,268,640 | |
| Total assets | | | 184,120,989 | | 110,260,610 | |
| LIABILITIES | | | | | | |
| Creditors | | | | | | |
| Distribution payable | | (773,467) | | (291,469) | | |
| Other creditors | 8 | (993,991) | | (1,533,483) | | |
| Total creditors | | | (1,767,458) | | (1,824,952) | |
| Total liabilities | | | (1,767,458) | | (1,824,952) | |
| Net assets attributable to Shareholders | | | 182,353,531 | | 108,435,658 | |

The notes on pages 38 to 44 form an integral part of these Financial Statements.

MI Quilter Cheviot Asian and Emerging Markets Equity Fund

Notes to the Financial Statements

for the year ended 30 April 2024

1. Accounting Policies

The Sub-fund's Financial Statements have been prepared on the same basis as the Accounting Policies stated on pages 8 and 9.

2. Net capital gains/(losses)^

| | Realised
£ | 30.04.24
Unrealised
£ | Total
£ |
|---------------------------|--------------------|-----------------------------|-------------------|
| Non-derivative securities | (1,652,519) | 12,059,669 | 10,407,150 |
| Transaction charges | (7,329) | – | (7,329) |
| Net capital gains | (1,659,848) | 12,059,669 | 10,399,821 |

| | Realised
£ | 30.04.23
Unrealised
£ | Total
£ |
|---------------------------|--------------------|-----------------------------|--------------------|
| Non-derivative securities | (5,179,873) | 2,223,022 | (2,956,851) |
| Transaction charges | (9,073) | – | (9,073) |
| Net capital losses | (5,188,946) | 2,223,022 | (2,965,924) |

^Where realised gains/losses include gains/losses arising in prior years, a corresponding loss/gain is included within the unrealised gains/loss presented.

3. Revenue

| | 30.04.24
£ | 30.04.23
£ |
|---|------------------|------------------|
| Distributions from Regulated Collective Investment Schemes: | | |
| Franked investment income | 2,378,024 | 1,993,642 |
| Offshore distributions | 140,947 | 93,109 |
| Bank interest | 113,502 | 23,621 |
| Total revenue | 2,632,473 | 2,110,372 |

4. Expenses

| | 30.04.24
£ | 30.04.23
£ |
|---|---------------|---------------|
| Payable to the Authorised Corporate Director ('ACD'), associates of the ACD and agents of either of them: | | |
| ACD's fee | 31,398 | 24,424 |
| Administration fees | 44,729 | 34,228 |
| Registration fees | 58,651 | 49,527 |
| | 134,778 | 108,179 |
| Payable to the Depositary, associates of the Depositary and agents of either of them: | | |
| Depositary's fee (including VAT) | 11,849 | 10,151 |
| Safe custody and other bank charges | 1,122 | 1,167 |
| | 12,971 | 11,318 |
| Payable to the Investment Manager, associates of the Investment Manager and agents of either of them: | | |
| Investment Manager's fee | 42 | – |

Notes to the Financial Statements

continued

4. Expenses (continued)

| | 30.04.24
£ | 30.04.23
£ |
|--|---------------|---------------|
| Auditor's remuneration*: | | |
| Audit fee | 10,870 | 10,065 |
| Tax compliance services | 2,349 | 2,163 |
| | 13,219 | 12,228 |
| Other expenses: | | |
| Legal fees | 7,693 | 10,406 |
| Printing costs | 1,622 | (58) |
| | 9,315 | 10,348 |
| Rebates: | | |
| Manager fee rebates from underlying holdings | (72,631) | (43,824) |
| | 97,694 | 98,249 |

*Included within the auditors remuneration is irrecoverable VAT £2,203 (2023: £2,038).

5. Taxation

| | 30.04.24
£ | 30.04.23
£ |
|---|---------------|---------------|
| (a) Analysis of charge in the year: | | |
| Total tax charge (note 5b) | - | - |
| (b) Factors affecting taxation charge for the year: | | |
| Net revenue before taxation | 2,534,779 | 2,012,123 |
| Corporation tax at 20% | 506,956 | 402,425 |
| Effects of: | | |
| UK dividends | (475,605) | (398,729) |
| Movement in surplus management expenses | (3,162) | 14,926 |
| Non-taxable overseas earnings | (28,189) | (18,622) |
| Total tax charge (note 5a) | - | - |

(c) Deferred tax

At the period end there is a potential deferred tax asset of £25,672 (2023: £28,834) in relation to surplus management expenses of £128,360 (2023: £144,170). It is unlikely that the Sub-fund will generate sufficient taxable profits in the future to utilise these expenses and therefore no deferred tax asset has been recognised in the year.

MI Quilter Cheviot Asian and Emerging Markets Equity Fund

Notes to the Financial Statements

continued

6. Distributions

The distributions take account of revenue received on the issue of shares and revenue deducted on the cancellation of shares, and comprise:

| | | 30.04.24 | 30.04.23 |
|--|----------|------------------|------------------|
| | | £ | £ |
| First interim distribution | 31.07.23 | 682,896 | 779,423 |
| Second interim distribution | 31.10.23 | 632,420 | 555,970 |
| Third interim distribution | 31.01.24 | 339,750 | 378,802 |
| Final distribution | 30.04.24 | 1,054,890 | 346,127 |
| | | 2,709,956 | 2,060,322 |
| Revenue deducted on cancellation of shares | | 54,433 | 40,996 |
| Revenue received on issue of shares | | (229,535) | (89,207) |
| Distributions | | 2,534,854 | 2,012,111 |

Reconciliation of net revenue after taxation to net distributions:

| | | | |
|--|--|------------------|------------------|
| Net revenue after taxation per Statement of Total Return | | 2,534,779 | 2,012,123 |
| Undistributed revenue brought forward | | 81 | 69 |
| Undistributed revenue carried forward | | (6) | (81) |
| Distributions | | 2,534,854 | 2,012,111 |

7. Debtors

| | | 30.04.24 | 30.04.23 |
|------------------------------|--|------------------|------------------|
| | | £ | £ |
| Amounts receivable on issues | | 1,395,269 | 808,863 |
| Sales awaiting settlement | | – | 4,064,520 |
| Accrued income: | | | |
| Dividends receivable | | 605,991 | 351,402 |
| Prepaid expenses: | | | |
| Legal fee | | – | 1,634 |
| Total debtors | | 2,001,260 | 5,226,419 |

8. Other Creditors

| | | 30.04.24 | 30.04.23 |
|---|--|-----------------|-----------------|
| | | £ | £ |
| Amounts payable on cancellations | | 391,073 | 378,309 |
| Purchases awaiting settlement | | 570,929 | 1,128,631 |
| Accrued expenses: | | | |
| Amounts payable to the Authorised Corporate Director ('ACD'), associates of the ACD and agents of either of them: | | | |
| ACD's fee | | 3,382 | 2,216 |
| Administration fee | | 4,860 | 3,135 |
| Registration fees | | 5,421 | 4,240 |
| | | 13,663 | 9,591 |

MI Quilter Cheviot Asian and Emerging Markets Equity Fund

Notes to the Financial Statements

continued

8. Other Creditors (continued)

| | 30.04.24
£ | 30.04.23
£ |
|---|----------------|------------------|
| Amounts payable to the Depositary, associates of the Depositary and agents of either of them: | | |
| Depositary's fee (including VAT) | 3,230 | 1,767 |
| Safe custody and other bank charges | 277 | 193 |
| | 3,507 | 1,960 |
| Other expenses: | | |
| Auditor's remuneration*: | | |
| Audit fee | 10,870 | 10,065 |
| Tax compliance services | 2,349 | 4,140 |
| | 13,219 | 14,205 |
| Other accrued expenses: | | |
| Legal fees | 914 | – |
| Printing costs | 686 | 787 |
| | 1,600 | 787 |
| Total other creditors | 993,991 | 1,533,483 |

*Included within the auditors remuneration is irrecoverable VAT £2,203 (2023: £2,368).

9. Cash and Bank Balances

| | 30.04.24
£ | 30.04.23
£ |
|-------------------------------|------------------|------------------|
| Cash and bank balances | 2,565,977 | 3,042,221 |
| Cash and bank balances | 2,565,977 | 3,042,221 |

10. Related Party Transactions

Apex Fundrock Limited ('AFL') is regarded as a related party by virtue of having the ability to act in respect of the operations of the Sub-fund in its capacity as the Authorised Corporate Director ('ACD').

ACD and other fees payable to AFL are disclosed in note 4 and amounts due at the year end are shown in note 8.

Fees payable to Quilter Cheviot Limited (the 'Investment Manager') are disclosed in note 4 and amounts due at the year end are shown in note 8.

Amounts receivable on issue and payable on cancellation of shares and dilution levy are disclosed in the Statement of Change in Net Assets Attributable to Shareholders and in note 6, amounts due at the year end are shown in notes 7 and 8.

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

11. Contingent Liabilities and Outstanding Commitments

There were no contingent liabilities or outstanding commitments at the balance sheet date (2023: none).

MI Quilter Cheviot Asian and Emerging Markets Equity Fund

Notes to the Financial Statements

continued

12. Risk Management Policies and Disclosures

The main risks arising from financial instruments and the ACD's policies for managing these risks are disclosed in note 2 on pages 9 to 11.

Numerical disclosures relating to the Sub-fund are as follows:

Disclosure of VaR limit

| | 30.04.24
% of VaR | Utilisation of
VaR (*) 20% | 30.04.23
% of VaR | Utilisation of
VaR (*) 20% |
|--------------------|----------------------|-------------------------------|----------------------|-------------------------------|
| VaR at period end: | 8.32 | 41.60 | 8.22 | 41.10 |
| Minimum VaR: | 7.96 | 39.80 | 6.67 | 33.35 |
| Maximum VaR: | 9.19 | 45.95 | 8.68 | 43.40 |
| Average VaR: | 8.77 | 43.85 | 8.17 | 40.85 |

*The VaR on the Sub-fund has been divided by its maximum limit.

Currency risk

The table below details the currency risk profile at the balance sheet date:

| | 30.04.24
Total
£ | 30.04.23
Total
£ |
|-------------------|------------------------|------------------------|
| Australian dollar | 2,015,463 | 1,082,952 |
| Japanese yen | 52,228,907 | 26,357,436 |
| Pound sterling | 128,109,161 | 80,995,270 |
| | 182,353,531 | 108,435,658 |

At the balance sheet date, if the value of sterling increased or decreased by 10%, with all other variables held constant, then the net assets attributable to Shareholders would increase or decrease by approximately £5,424,437 (2023: £2,744,039).

Notes to the Financial Statements

continued

13. Portfolio Transaction Costs

30.04.24

| Analysis of purchases | Total purchase cost
£ | Commissions paid | | Taxes | | Purchases before transaction cost
£ |
|--|--------------------------|------------------|------|-------|------|--|
| | | £ | % | £ | % | |
| Funds | 79,670,559 | – | 0.00 | – | 0.00 | 79,670,559 |
| Total purchases after commissions and tax | 79,670,559 | | | | | |

| Analysis of sales | Net sale proceeds
£ | Commissions paid | | Taxes | | Sales before transaction cost
£ |
|--|------------------------|------------------|------|-------|------|------------------------------------|
| | | £ | % | £ | % | |
| Funds | 12,770,117 | – | 0.00 | – | 0.00 | 12,770,117 |
| Total sales after commissions and tax | 12,770,117 | | | | | |

Commission as a % of average net assets 0.00%

Taxes as a % of the average net assets 0.00%

30.04.23

| Analysis of purchases | Total purchase cost
£ | Commissions paid | | Taxes | | Purchases before transaction cost
£ |
|--|--------------------------|------------------|------|-------|------|--|
| | | £ | % | £ | % | |
| Funds | 49,633,261 | – | 0.00 | – | 0.00 | 49,633,261 |
| Total purchases after commissions and tax | 49,633,261 | | | | | |

| Analysis of sales | Net sale proceeds
£ | Commissions paid | | Taxes | | Sales before transaction cost
£ |
|--|------------------------|------------------|------|-------|------|------------------------------------|
| | | £ | % | £ | % | |
| Funds | 36,774,851 | – | 0.00 | – | 0.00 | 36,774,851 |
| Total sales after commissions and tax | 36,774,851 | | | | | |

Commission as a % of average net assets 0.00%

Taxes as a % of the average net assets 0.00%

Commissions and taxes as a % of the average net assets form part of the direct transaction costs stated within the comparative tables on pages 33 to 35. The direct transaction costs within the comparative tables may differ due to the effect of dilution levies charged (where applicable).

14. Portfolio Dealing Spread

The average portfolio dealing spread at 30 April 2024 is 0.00% (2023: 0.00%).

MI Quilter Cheviot Asian and Emerging Markets Equity Fund

Notes to the Financial Statements

continued

15. Post Balance Sheet Events

There were no notifiable events post the year end balance sheet date.

16. Fair Value Disclosure

| Valuation technique | 30.04.24 | | 30.04.23 | |
|------------------------|--------------------|------------------|--------------------|------------------|
| | Assets
£ | Liabilities
£ | Assets
£ | Liabilities
£ |
| Level 1 [^] | 6,151,613 | – | 4,354,749 | – |
| Level 2 ^{^^} | 173,402,139 | – | 97,637,221 | – |
| Level 3 ^{^^^} | – | – | – | – |
| | 179,553,752 | – | 101,991,970 | – |

[^]Level 1: Unadjusted quoted price in an active market for an identical instrument.

^{^^}Level 2: Valuation techniques using observable inputs other than quoted prices within level 1.

^{^^^}Level 3: Valuation techniques using unobservable inputs.

17. Shares in Issue

| | A
Income
GBP | A
Accumulation
GBP | B
Income
GBP | B
Accumulation
GBP |
|---------------------------------|--------------------|--------------------------|--------------------|--------------------------|
| Opening number of shares | 107,039,884 | 20,161,519 | – | – |
| Shares issued | 63,791,658 | 36,754,405 | – | 85 |
| Shares cancelled | (24,794,758) | (4,674,880) | (14,376) | – |
| Shares converted | (16,933) | – | 14,376 | – |
| Closing number of Shares | 146,019,851 | 52,241,044 | - | 85 |

MI Quilter Cheviot Asian and Emerging Markets Equity Fund

Distribution Tables

for the year ended 30 April 2024

Income share distributions

| Share class | Distribution | Shares | Net revenue
p | Equalisation
p | Distribution paid/payable
2024
p | Distribution paid
2023
p |
|-------------|----------------|----------------------|------------------|-------------------|--|--------------------------------|
| A Income | First interim | Group 1 | 0.5035 | – | 0.5035 | 0.7370 |
| | | Group 2 | 0.3909 | 0.1126 | 0.5035 | 0.7370 |
| | Second interim | Group 1 | 0.4167 | – | 0.4167 | 0.5050 |
| | | Group 2 | 0.1540 | 0.2627 | 0.4167 | 0.5050 |
| | Third interim | Group 1 | 0.2073 | – | 0.2073 | 0.3248 |
| | | Group 2 | 0.1480 | 0.0593 | 0.2073 | 0.3248 |
| | Final | Group 1 | 0.5297 | – | 0.5297 | 0.2723 |
| | | Group 2 | 0.2066 | 0.3231 | 0.5297 | 0.2723 |
| B Income* | First interim | Group 1 | 0.3538 | – | 0.3538 | n/a |
| | | Group 2 [^] | 0.3538 | – | 0.3538 | n/a |
| | Second interim | Group 1 | n/a | n/a | n/a | n/a |
| | | Group 2 | n/a | n/a | n/a | n/a |
| | Third interim | Group 1 | n/a | n/a | n/a | n/a |
| | | Group 2 | n/a | n/a | n/a | n/a |
| | Final | Group 1 | n/a | n/a | n/a | n/a |
| | | Group 2 | n/a | n/a | n/a | n/a |

Accumulation share distributions

| Share class | Distribution | Shares | Net revenue
p | Equalisation
p | Amount reinvested
2024
p | Amount reinvested
2023
p |
|------------------|----------------|---------|------------------|-------------------|--------------------------------|--------------------------------|
| A Accumulation | First interim | Group 1 | 0.5175 | – | 0.5175 | 0.7223 |
| | | Group 2 | 0.4021 | 0.1154 | 0.5175 | 0.7223 |
| | Second interim | Group 1 | 0.4168 | – | 0.4168 | 0.5009 |
| | | Group 2 | 0.1504 | 0.2664 | 0.4168 | 0.5009 |
| | Third interim | Group 1 | 0.2117 | – | 0.2117 | 0.3217 |
| | | Group 2 | 0.1031 | 0.1086 | 0.2117 | 0.3217 |
| | Final | Group 1 | 0.5387 | – | 0.5387 | 0.2711 |
| | | Group 2 | 0.2430 | 0.2957 | 0.5387 | 0.2711 |
| B Accumulation** | First interim | Group 1 | n/a | n/a | n/a | n/a |
| | | Group 2 | n/a | n/a | n/a | n/a |
| | Second interim | Group 1 | n/a | n/a | n/a | n/a |
| | | Group 2 | n/a | n/a | n/a | n/a |
| | Third interim | Group 1 | n/a | n/a | n/a | n/a |
| | | Group 2 | n/a | n/a | n/a | n/a |
| | Final | Group 1 | – | – | – | n/a |
| | | Group 2 | – | – | – | n/a |

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

**Launched on 17 April 2024

[^]No group 2 shares held in the distribution period.

MI Quilter Cheviot Asian and Emerging Markets Equity Fund

Distribution Tables

continued

| | |
|------------------------|---------------------|
| First interim period: | 01.05.23 - 31.07.23 |
| Second interim period: | 01.08.23 - 31.10.23 |
| Third interim period: | 01.11.23 - 31.01.24 |
| Final period: | 01.02.24 - 30.04.24 |

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

Equalisation

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

MI Quilter Cheviot Conservative Fixed Interest Fund

Investment Objective and Policy

for the year ended 30 April 2024

Investment Objective

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

Investment Policy

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

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

The Sub-fund will typically invest at least 70% of the portfolio directly but at times, dependent on market conditions and the Investment Manager's view of the market, the direct exposure may be higher or lower than this but it is not expected to ever fall below 50%.

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

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

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

Investment Manager's Report

for the year ended 30 April 2024

Market Commentary

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

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

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

MI Quilter Cheviot Conservative Fixed Interest Fund

Investment Manager's Report

continued

Investment Review

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

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

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

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

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

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

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

Outlook

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

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

~Source: Data provided by FactSet.

MI Quilter Cheviot Conservative Fixed Interest Fund

Portfolio Statement

as at 30 April 2024

| Holding | Security | Market value
£ | % of total
net assets
2024 |
|--|--|--------------------|----------------------------------|
| FINANCIALS 22.45% (21.79%) | | | |
| Open-Ended and Miscellaneous Investment Vehicles 22.45% (21.79%) | | | |
| 10,596,990 | Royal London Sterling Credit - Z Income* | 12,674,000 | 10.00 |
| 68,757 | Vanguard UK Investment Grade Bond - Institutional Plus GBP Distribution* | 6,330,519 | 4.99 |
| 984,795 | Wellington Global Credit ESG - G Q1 DisH GBP* | 9,451,472 | 7.46 |
| | | 28,455,991 | 22.45 |
| DEBT INSTRUMENTS 74.17% (75.00%) | | | |
| Pound Sterling denominated government debt securities 74.17% (75.00%) | | | |
| £12,011,570 | UK Treasury 0.375% 22.10.30 | 9,437,851 | 7.45 |
| £9,685,566 | UK Treasury 0.625% 07.06.25 | 9,259,691 | 7.30 |
| £14,757,913 | UK Treasury 0.875% 22.10.29 | 12,380,856 | 9.77 |
| £23,903,897 | UK Treasury 1% 31.01.32 | 18,808,781 | 14.84 |
| £13,786,966 | UK Treasury 1.25% 22.07.27 | 12,514,567 | 9.87 |
| £13,396,001 | UK Treasury 1.5% 22.07.26 | 12,565,181 | 9.91 |
| £21,282,938 | UK Treasury 1.625% 22.10.28 | 19,050,783 | 15.03 |
| | | 94,017,710 | 74.17 |
| Investment assets | | 122,473,701 | 96.62 |
| Net other assets | | 4,290,422 | 3.38 |
| Net assets | | 126,764,123 | 100.00 |

All investments are ordinary shares or stock units on a regulated securities market unless otherwise stated. The percentages in brackets show the equivalent % holdings as at 30.04.23.

*Collective Investment Schemes permitted under COLL, not listed on any exchange.

| Analysis of bonds by credit rating^^ | Market value
£ | % of total
net assets
2024 | % of total
net assets
2023 |
|--------------------------------------|-------------------|----------------------------------|----------------------------------|
| Investment grade (BBB & above) | 94,017,710 | 74.17 | 75.00 |
| | | 94,017,710 | 75.00 |

^^Source: NTISL

MI Quilter Cheviot Conservative Fixed Interest Fund

Comparative Tables

Change in net assets per share

| A Income~ | 30.04.24
p | 30.04.23
p | 30.04.22
p |
|--|---------------|---------------|---------------------|
| Opening net asset value per share | 78.70 | 91.66 | 100.00 [†] |
| Return before operating charges [^] | 1.96 | -11.05 | -7.75 |
| Operating charges | -0.14 | -0.20 | -0.18 ^{^^} |
| Return after operating charges [^] | 1.82 | -11.25 | -7.93 |
| Distributions | -2.79 | -1.71 | -0.41 |
| Closing net asset value per share | 77.73 | 78.70 | 91.66 |
| [^] After direct transaction costs of | 0.00 | 0.00 | 0.00 |
| Performance | | | |
| Return after charges | 2.32% | -12.27% | -7.93% |
| Other information | | | |
| Closing net asset value | £62,465,680 | £51,761,811 | £49,097,927 |
| Closing number of shares | 80,359,120 | 65,772,785 | 53,564,872 |
| Operating charges | 0.18% | 0.24% | 0.18% |
| Ongoing operating charges* | 0.18% | 0.21% | 0.23% |
| Direct transaction costs | 0.00% | 0.00% | 0.00% |
| Prices | | | |
| Highest share price | 81.00 | 92.74 | 105.84 |
| Lowest share price | 75.49 | 75.34 | 91.26 |

| A Accumulation~~ | 30.04.24
p | 30.04.23
p | 30.04.22
p |
|--|---------------|---------------|---------------------|
| Opening net asset value per share | 76.56 | 87.30 | 100.00 [†] |
| Return before operating charges [^] | 1.95 | -10.55 | -12.53 |
| Operating charges | -0.13 | -0.19 | -0.17 |
| Return after operating charges [^] | 1.82 | -10.74 | -12.70 |
| Distributions | -2.75 | -1.63 | -0.30 |
| Retained distributions on accumulation shares | 2.75 | 1.63 | 0.30 |
| Closing net asset value per share | 78.38 | 76.56 | 87.30 |
| [^] After direct transaction costs of | 0.00 | 0.00 | 0.00 |
| Performance | | | |
| Return after charges | 2.38% | -12.30% | -12.70% |
| Other information | | | |
| Closing net asset value | £64,298,358 | £45,412,504 | £490,732 |
| Closing number of shares | 82,029,140 | 59,315,540 | 562,105 |
| Operating charges | 0.18% | 0.24% | 0.18% |
| Ongoing operating charges* | 0.18% | 0.21% | 0.23% |
| Direct transaction costs | 0.00% | 0.00% | 0.00% |
| Prices | | | |
| Highest share price | 80.18 | 88.33 | 100.00 |
| Lowest share price | 73.44 | 71.96 | 86.72 |

~A Income share class launched on 30 September 2021.

~~A Accumulation share class launched on 13 December 2021.

[†]Launch Price.

^{^^}A Income return after charges for the period 13 December 2021 to 30 April 2022 was -12.52%.

Comparative Tables

continued

| B Accumulation~~~ | 30.04.24
p |
|--|---------------------|
| Opening net asset value per share | 100.00 [†] |
| Return before operating charges [^] | 0.96 |
| Operating charges | -0.98 |
| Return after operating charges [^] | -0.02 |
| Distributions | 0.00 |
| Closing net asset value per share | 99.98 |
| [^] After direct transaction costs of | 0.00 |
| Performance | |
| Return after charges | -0.02% |
| Other information | |
| Closing net asset value | £85 |
| Closing number of shares | 85 |
| Operating charges | 0.18% |
| Ongoing operating charges* | 0.98% |
| Direct transaction costs | 0.00% |
| Prices | |
| Highest share price | 100.48 |
| Lowest share price | 99.98 |

~~~B Accumulation share class launched on 17 April 2024.

<sup>†</sup>Launch price.

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

\*The Net Asset Value of the Sub-fund has increased by more than 10% if compared to the average Net Asset Value for the year. Taking an average of the daily Net Asset Value for the last month of the year no overall effect on the operating charges. The Investment Manager has waived the Investment Manager's fee on the B Accumulation share class until further investment is received. This will increase the operating charges by 0.80%. The ACD believes this to be more representative of the charges going forward. The ACD believes this to be more representative of the charges going forward.

The return after charges is calculated as the closing Net Asset Value per share plus the distributions on income shares minus the opening Net Asset Value per share as a % of the opening Net Asset Value per share. The basis of valuation of investments used to calculate Net Asset Value per share is described in notes to the Financial Statements 1h) and complies with requirements of the current Statement of Recommended Practice for Financial Statements of UK Authorised Funds. This differs from the basis used to calculate daily published single prices, in which listed investments are valued at 12:00 mid prices.

Direct transaction costs include fees, commissions, transfer taxes and duties in the purchasing and selling of investments, which are offset (where applicable) against any dilution levies charged within the accounting year. The figures used within the table have been calculated against the average Net Asset Value for the accounting year.

# MI Quilter Cheviot Conservative Fixed Interest Fund

## Risk and Reward Profile

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



The Sub-fund is ranked 4 because funds of this type have experienced average rises and falls in value in the past. Please note that even the lowest risk class can lose you money and that extreme market circumstances can mean you suffer severe losses in all cases. These indicators do not take into account the following risks of investing in this Sub-fund:

- Bond values are affected by changes in interest rates, inflation and any decline in creditworthiness of the bond issuer. Bonds that produce a higher level of income usually also carry greater risk as such bond issuers may not be able to pay the bond income as promised or could fail to repay the capital amount used to purchase the bond. There may be cases where the organisation from which we buy a bond fails to carry out its obligations which could cause losses to the Sub-fund.
- Investing in other funds may expose investors to increased risk due to less strict regulations and the use of derivatives. These other funds can themselves invest into assets such as bonds, company shares, cash and currencies. The objectives and risk profiles of these underlying funds may not be fully in line with those of this Sub-fund.
- The level of income may go down as well as up and is not guaranteed.
- Investing overseas can bring additional returns and spread risk to different markets. There are risks, however, that changes in currency exchange rates may cause the value of your investment to decrease or increase.
- For further risk information please see the Prospectus.

### Risk warning

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



# MI Quilter Cheviot Conservative Fixed Interest Fund

## Statement of Total Return

for the year ended 30 April 2024

|                                                                                     | Note | £         | 30.04.24<br>£      | 30.04.23<br>£      |
|-------------------------------------------------------------------------------------|------|-----------|--------------------|--------------------|
| Income                                                                              |      |           |                    |                    |
| Net capital losses                                                                  | 2    |           | (1,110,677)        | (8,430,199)        |
| Revenue                                                                             | 3    | 4,154,519 |                    | 1,411,752          |
| Expenses                                                                            | 4    | (132,984) |                    | (93,488)           |
| Net revenue before taxation                                                         |      | 4,021,535 |                    | 1,318,264          |
| Taxation                                                                            | 5    | -         |                    | -                  |
| Net revenue after taxation                                                          |      |           | 4,021,535          | 1,318,264          |
| <b>Total return before distributions</b>                                            |      |           | <b>2,910,858</b>   | <b>(7,111,935)</b> |
| Distributions                                                                       | 6    |           | (4,021,495)        | (1,318,265)        |
| <b>Change in net assets attributable to Shareholders from investment activities</b> |      |           | <b>(1,110,637)</b> | <b>(8,430,200)</b> |

## Statement of Change in Net Assets Attributable to Shareholders

for the year ended 30 April 2024

|                                                                                                                    | £            | 30.04.24<br>£      | 30.04.23<br>£     |
|--------------------------------------------------------------------------------------------------------------------|--------------|--------------------|-------------------|
| <b>Opening net assets attributable to Shareholders</b>                                                             |              | <b>97,174,315</b>  | <b>49,588,659</b> |
| Amounts receivable on issue of shares                                                                              | 53,984,235   |                    | 70,571,928        |
| Dilution levy                                                                                                      | -            |                    | 1,506             |
| Less: Amounts payable on cancellation of shares                                                                    | (25,258,434) |                    | (14,953,883)      |
|                                                                                                                    |              | 28,725,801         | 55,619,551        |
| Change in net assets attributable to Shareholders from investment activities (see Statement of Total Return above) |              | (1,110,637)        | (8,430,200)       |
| Retained distributions on accumulation shares                                                                      |              | 1,974,644          | 396,305           |
| <b>Closing net assets attributable to Shareholders</b>                                                             |              | <b>126,764,123</b> | <b>97,174,315</b> |

The notes on pages 55 to 61 form an integral part of these Financial Statements.

# MI Quilter Cheviot Conservative Fixed Interest Fund

## Balance Sheet

as at 30 April 2024

|                                                | Note | £           | 30.04.24           | £           | 30.04.23           | £ |
|------------------------------------------------|------|-------------|--------------------|-------------|--------------------|---|
| <b>ASSETS</b>                                  |      |             |                    |             |                    |   |
| <b>Fixed assets</b>                            |      |             |                    |             |                    |   |
| Investments                                    |      |             | 122,473,701        |             | 94,058,494         |   |
| <b>Current assets</b>                          |      |             |                    |             |                    |   |
| Debtors                                        | 7    | 847,075     |                    | 9,569,947   |                    |   |
| Cash and bank balances                         | 9    | 5,611,955   |                    | 1,525,684   |                    |   |
| <b>Total current assets</b>                    |      |             | <b>6,459,030</b>   |             | <b>11,095,631</b>  |   |
| <b>Total assets</b>                            |      |             | <b>128,932,731</b> |             | <b>105,154,125</b> |   |
| <b>LIABILITIES</b>                             |      |             |                    |             |                    |   |
| <b>Creditors</b>                               |      |             |                    |             |                    |   |
| Bank overdrafts                                | 9    | (1,111,152) |                    | -           |                    |   |
| Distribution payable                           |      | (585,255)   |                    | (363,066)   |                    |   |
| Other creditors                                | 8    | (472,201)   |                    | (7,616,744) |                    |   |
| <b>Total creditors</b>                         |      |             | <b>(2,168,608)</b> |             | <b>(7,979,810)</b> |   |
| <b>Total liabilities</b>                       |      |             | <b>(2,168,608)</b> |             | <b>(7,979,810)</b> |   |
| <b>Net assets attributable to Shareholders</b> |      |             | <b>126,764,123</b> |             | <b>97,174,315</b>  |   |

The notes on pages 55 to 61 form an integral part of these Financial Statements.

## Notes to the Financial Statements

for the year ended 30 April 2024

### 1. Accounting Policies

The Sub-fund's Financial Statements have been prepared on the same basis as the Accounting Policies stated on pages 8 and 9.

### 2. Net Capital Losses<sup>^</sup>

|                           | Realised<br>£    | 30.04.24<br>Unrealised<br>£ | Total<br>£         |
|---------------------------|------------------|-----------------------------|--------------------|
| Non-derivative securities | (580,307)        | (522,429)                   | (1,102,736)        |
| Transaction charges       | (7,941)          | –                           | (7,941)            |
| <b>Net capital losses</b> | <b>(588,248)</b> | <b>(522,429)</b>            | <b>(1,110,677)</b> |

|                           | Realised<br>£       | 30.04.23<br>Unrealised<br>£ | Total<br>£         |
|---------------------------|---------------------|-----------------------------|--------------------|
| Non-derivative securities | (10,758,379)        | 2,338,621                   | (8,419,758)        |
| Currency gains            | 197                 | –                           | 197                |
| Transaction charges       | (10,638)            | –                           | (10,638)           |
| <b>Net capital losses</b> | <b>(10,768,820)</b> | <b>2,338,621</b>            | <b>(8,430,199)</b> |

<sup>^</sup>Where realised gains/losses include gains/losses arising in prior years, a corresponding loss/gain is included within the unrealised gains/loss presented.

### 3. Revenue

|                                                             | 30.04.24<br>£    | 30.04.23<br>£    |
|-------------------------------------------------------------|------------------|------------------|
| Distributions from Regulated Collective Investment Schemes: |                  |                  |
| Interest distributions                                      | 1,122,369        | 441,233          |
| Interest on debt securities                                 | 2,925,911        | 950,384          |
| Bank interest                                               | 106,239          | 20,135           |
| <b>Total revenue</b>                                        | <b>4,154,519</b> | <b>1,411,752</b> |

### 4. Expenses

|                                                                                                           | 30.04.24<br>£ | 30.04.23<br>£ |
|-----------------------------------------------------------------------------------------------------------|---------------|---------------|
| Payable to the Authorised Corporate Director ('ACD'), associates of the ACD and agents of either of them: |               |               |
| ACD's fee                                                                                                 | 26,430        | 14,823        |
| Administration fees                                                                                       | 37,637        | 20,786        |
| Registration fees                                                                                         | 34,315        | 26,916        |
|                                                                                                           | 98,382        | 62,525        |
| Payable to the Depositary, associates of the Depositary and agents of either of them:                     |               |               |
| Depositary's fee (including VAT)                                                                          | 10,223        | 6,058         |
| Safe custody and other bank charges                                                                       | 4,831         | 2,354         |
|                                                                                                           | 15,054        | 8,412         |

# MI Quilter Cheviot Conservative Fixed Interest Fund

## Notes to the Financial Statements

continued

| <b>4. Expenses (continued)</b> | <b>30.04.24</b> | <b>30.04.23</b> |
|--------------------------------|-----------------|-----------------|
|                                | <b>£</b>        | <b>£</b>        |
| Auditor's remuneration*:       |                 |                 |
| Audit fee                      | 10,870          | 10,065          |
| Tax Compliance services        | 2,349           | 2,163           |
|                                | <hr/>           | <hr/>           |
|                                | 13,219          | 12,228          |
| Other expenses:                |                 |                 |
| Legal fees                     | 4,616           | 10,406          |
| Printing costs                 | 1,713           | (83)            |
|                                | <hr/>           | <hr/>           |
|                                | 6,329           | 10,323          |
|                                | <hr/>           | <hr/>           |
| <b>Expenses</b>                | <b>132,984</b>  | <b>93,488</b>   |

\*Included within the auditors remuneration is irrecoverable VAT of £2,203 (2023: £2,038).

| <b>5. Taxation</b>                                  | <b>30.04.24</b> | <b>30.04.23</b> |
|-----------------------------------------------------|-----------------|-----------------|
|                                                     | <b>£</b>        | <b>£</b>        |
| (a) Analysis of charge in the year:                 |                 |                 |
| <b>Total tax charge (note 5b)</b>                   | <hr/>           | <hr/>           |
|                                                     | -               | -               |
| (b) Factors affecting taxation charge for the year: |                 |                 |
| Net revenue before taxation                         | 4,021,535       | 1,318,264       |
| Corporation tax at 20%                              | 804,307         | 263,653         |
| Effects of:                                         |                 |                 |
| Interest distributions                              | (804,307)       | (263,653)       |
| <b>Total tax charge (note 5a)</b>                   | <hr/>           | <hr/>           |
|                                                     | -               | -               |

(c) Deferred tax

There was no liability to deferred tax at the balance sheet date (2023: nil).

## Notes to the Financial Statements

continued

### 6. Distributions

The distributions take account of revenue received on the issue of shares and revenue deducted on the cancellation of shares, and comprise:

|                                                                           |          | <b>30.04.24</b>  | <b>30.04.23</b>  |
|---------------------------------------------------------------------------|----------|------------------|------------------|
|                                                                           |          | <b>£</b>         | <b>£</b>         |
| First interim distribution                                                | 31.07.23 | 870,744          | 155,344          |
| Second interim distribution                                               | 31.10.23 | 1,017,103        | 263,284          |
| Third interim distribution                                                | 31.01.24 | 1,095,093        | 401,981          |
| Final distribution                                                        | 30.04.24 | 1,182,017        | 674,828          |
|                                                                           |          | <b>4,164,957</b> | <b>1,495,437</b> |
| Revenue deducted on cancellation of shares                                |          | 128,187          | 46,524           |
| Revenue received on issue of shares                                       |          | (271,649)        | (223,696)        |
| <b>Distributions</b>                                                      |          | <b>4,021,495</b> | <b>1,318,265</b> |
| <b>Reconciliation of net revenue after taxation to net distributions:</b> |          |                  |                  |
| Net revenue after taxation per Statement of Total Return                  |          | 4,021,535        | 1,318,264        |
| Undistributed revenue brought forward                                     |          | 37               | 38               |
| Undistributed revenue carried forward                                     |          | (77)             | (37)             |
| <b>Distributions</b>                                                      |          | <b>4,021,495</b> | <b>1,318,265</b> |

### 7. Debtors

|                              |  | <b>30.04.24</b> | <b>30.04.23</b>  |
|------------------------------|--|-----------------|------------------|
|                              |  | <b>£</b>        | <b>£</b>         |
| Amounts receivable on issues |  | 647,070         | 156,564          |
| Sales awaiting settlement    |  | –               | 9,265,135        |
| Accrued income:              |  |                 |                  |
| Interest on debt securities  |  | 198,998         | 146,614          |
| Prepaid expenses:            |  |                 |                  |
| Legal fees                   |  | 1,007           | 1,634            |
| <b>Total debtors</b>         |  | <b>847,075</b>  | <b>9,569,947</b> |

### 8. Other Creditors

|                                                                                                                   |  | <b>30.04.24</b> | <b>30.04.23</b> |
|-------------------------------------------------------------------------------------------------------------------|--|-----------------|-----------------|
|                                                                                                                   |  | <b>£</b>        | <b>£</b>        |
| Amounts payable on cancellations                                                                                  |  | 445,316         | 264,050         |
| Purchases awaiting settlement                                                                                     |  | –               | 7,328,330       |
| Accrued expenses:                                                                                                 |  |                 |                 |
| Amounts payable to the Authorised Corporate Director ('ACD'), associates of the ACD and agents of either of them: |  |                 |                 |
| ACD's fee                                                                                                         |  | 2,395           | 2,000           |
| Administration fee                                                                                                |  | 3,442           | 2,828           |
| Registration fees                                                                                                 |  | 3,146           | 2,780           |
|                                                                                                                   |  | <b>8,983</b>    | <b>7,608</b>    |

# MI Quilter Cheviot Conservative Fixed Interest Fund

## Notes to the Financial Statements

continued

### 8. Other Creditors (continued)

|                                                                                               | 30.04.24<br>£  | 30.04.23<br>£    |
|-----------------------------------------------------------------------------------------------|----------------|------------------|
| Amounts payable to the Depositary, associates of the Depositary and agents of either of them: |                |                  |
| Depositary's fee (including VAT)                                                              | 2,594          | 1,342            |
| Safe custody and other bank charges                                                           | 1,219          | 428              |
|                                                                                               | <hr/> 3,813    | <hr/> 1,770      |
| Other expenses:                                                                               |                |                  |
| Auditor's remuneration*:                                                                      |                |                  |
| Audit fee                                                                                     | 10,870         | 10,065           |
| Tax compliance services                                                                       | 2,349          | 4,140            |
|                                                                                               | <hr/> 13,219   | <hr/> 14,205     |
| Other accrued expenses:                                                                       |                |                  |
| Printing costs                                                                                | 870            | 781              |
|                                                                                               | <hr/>          | <hr/>            |
| <b>Total other creditors</b>                                                                  | <b>472,201</b> | <b>7,616,744</b> |

\*Included within the auditors remuneration is irrecoverable VAT of £2,203 (2023: £2,368).

### 9. Cash and Bank Balances

|                               | 30.04.24<br>£    | 30.04.23<br>£    |
|-------------------------------|------------------|------------------|
| Cash and bank balances        | 5,611,955        | 1,525,684        |
| Overdraft positions           | (1,111,152)      | –                |
| <b>Cash and bank balances</b> | <b>4,500,803</b> | <b>1,525,684</b> |

### 10. Related Party Transactions

Apex Fundrock Limited ('AFL') is regarded as a related party by virtue of having the ability to act in respect of the operations of the Sub-fund in its capacity as the Authorised Corporate Director ('ACD').

ACD and other fees payable to AFL are disclosed in note 4 and amounts due at the year end are shown in note 8.

Fees payable to Quilter Cheviot Limited (the 'Investment Manager') are disclosed in note 4 and amounts due at the year end are shown in note 8.

Amounts receivable on issue and payable on cancellation of shares and dilution levy are disclosed in the Statement of Change in Net Assets Attributable to Shareholders and in note 6, amounts due at the year end are shown in notes 7 and 8.

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

### 11. Contingent Liabilities and Outstanding Commitments

There were no contingent liabilities or outstanding commitments at the balance sheet date (2023: none).

## Notes to the Financial Statements

continued

### 12. Risk Management Policies and Disclosures

The main risks arising from financial instruments and the ACD's policies for managing these risks are disclosed in note 2 on pages 9 to 11.

Numerical disclosures relating to the Sub-fund are as follows:

#### Disclosure of VaR limit

|                    | 30.04.24<br>% of VaR | Utilisation of<br>VaR (*) 20% | 30.04.23<br>% of VaR | Utilisation of<br>VaR (*) 20% |
|--------------------|----------------------|-------------------------------|----------------------|-------------------------------|
| VaR at period end: | 6.31                 | 31.55                         | 6.22                 | 31.10                         |
| Minimum VaR:       | 5.78                 | 28.90                         | 3.14                 | 15.70                         |
| Maximum VaR:       | 7.13                 | 35.65                         | 6.60                 | 33.00                         |
| Average VaR:       | 6.62                 | 33.10                         | 5.45                 | 27.25                         |

\*The VaR on the Sub-fund has been divided by its maximum limit.

#### Currency risk

The majority of the Sub-fund's assets comprise of investments and cash denominated in Sterling. As a result, the income and capital value of the Sub-fund are not affected by currency movements.

There is no material direct foreign currency exposure in the Sub-fund (2023: same).

# MI Quilter Cheviot Conservative Fixed Interest Fund

## Notes to the Financial Statements

continued

### 13. Portfolio Transaction Costs

30.04.24

| Analysis of purchases                            | Total purchase cost<br>£ | Commissions paid |      | Taxes |      | Purchases before transaction cost<br>£ |
|--------------------------------------------------|--------------------------|------------------|------|-------|------|----------------------------------------|
|                                                  |                          | £                | %    | £     | %    |                                        |
| Bonds                                            | 34,972,531               | –                | 0.00 | –     | 0.00 | 34,972,531                             |
| Funds                                            | 12,218,238               | –                | 0.00 | –     | 0.00 | 12,218,238                             |
| <b>Total purchases after commissions and tax</b> | <b>47,190,769</b>        |                  |      |       |      |                                        |

| Analysis of sales                            | Net sale proceeds<br>£ | Commissions paid |      | Taxes |      | Sales before transaction cost<br>£ |
|----------------------------------------------|------------------------|------------------|------|-------|------|------------------------------------|
|                                              |                        | £                | %    | £     | %    |                                    |
| Bonds                                        | 16,136,942             | –                | 0.00 | –     | 0.00 | 16,136,942                         |
| Corporate action                             | 36,988                 | –                | 0.00 | –     | 0.00 | 36,988                             |
| Funds                                        | 5,213,753              | –                | 0.00 | –     | 0.00 | 5,213,753                          |
| <b>Total sales after commissions and tax</b> | <b>21,387,683</b>      |                  |      |       |      |                                    |

|                                         |       |
|-----------------------------------------|-------|
| Commission as a % of average net assets | 0.00% |
| Taxes as a % of the average net assets  | 0.00% |

30.04.23

| Analysis of purchases                            | Total purchase cost<br>£ | Commissions paid |      | Taxes |      | Purchases before transaction cost<br>£ |
|--------------------------------------------------|--------------------------|------------------|------|-------|------|----------------------------------------|
|                                                  |                          | £                | %    | £     | %    |                                        |
| Bonds                                            | 73,234,490               | –                | 0.00 | –     | 0.00 | 73,234,490                             |
| Funds                                            | 21,320,156               | –                | 0.00 | –     | 0.00 | 21,320,156                             |
| <b>Total purchases after commissions and tax</b> | <b>94,554,646</b>        |                  |      |       |      |                                        |

| Analysis of sales                            | Net sale proceeds<br>£ | Commissions paid |      | Taxes |      | Sales before transaction cost<br>£ |
|----------------------------------------------|------------------------|------------------|------|-------|------|------------------------------------|
|                                              |                        | £                | %    | £     | %    |                                    |
| Bonds                                        | 32,729,165             | –                | 0.00 | –     | 0.00 | 32,729,165                         |
| Funds                                        | 6,726,714              | –                | 0.00 | –     | 0.00 | 6,726,714                          |
| <b>Total sales after commissions and tax</b> | <b>39,455,879</b>      |                  |      |       |      |                                    |

|                                         |       |
|-----------------------------------------|-------|
| Commission as a % of average net assets | 0.00% |
| Taxes as a % of the average net assets  | 0.00% |

Commissions and taxes as a % of the average net assets form part of the direct transaction costs stated within the comparative tables on pages 50 and 51. The direct transaction costs within the comparative tables may differ due to the effect of dilution levies charged (where applicable).

### 14. Portfolio Dealing Spread

The average portfolio dealing spread at 30 April 2024 is 0.04% (2023: 0.06%).



## Notes to the Financial Statements

continued

### 15. Post Balance Sheet Events

There were no notifiable events post the year end balance sheet date.

### 16. Fair Value Disclosure

| Valuation technique    | 30.04.24           |             | 30.04.23          |             |
|------------------------|--------------------|-------------|-------------------|-------------|
|                        | Assets             | Liabilities | Assets            | Liabilities |
|                        | £                  | £           | £                 | £           |
| Level 1 <sup>^</sup>   | 94,017,710         | –           | 72,884,759        | –           |
| Level 2 <sup>^^</sup>  | 28,455,991         | –           | 21,173,735        | –           |
| Level 3 <sup>^^^</sup> | –                  | –           | –                 | –           |
|                        | <b>122,473,701</b> | <b>–</b>    | <b>94,058,494</b> | <b>–</b>    |

<sup>^</sup>Level 1: Unadjusted quoted price in an active market for an identical instrument.

<sup>^^</sup>Level 2: Valuation techniques using observable inputs other than quoted prices within level 1.

<sup>^^^</sup>Level 3: Valuation techniques using unobservable inputs.

### 17. Shares in Issue

|                                 | A                 | A                 | B            |
|---------------------------------|-------------------|-------------------|--------------|
|                                 | Income            | Accumulation      | Accumulation |
|                                 | GBP               | GBP               | GBP          |
| Opening number of shares        | 65,772,785        | 59,315,540        | –            |
| Shares issued                   | 34,716,643        | 35,362,594        | 85           |
| Shares cancelled                | (20,130,308)      | (12,648,994)      | –            |
| <b>Closing number of Shares</b> | <b>80,359,120</b> | <b>82,029,140</b> | <b>85</b>    |

# MI Quilter Cheviot Conservative Fixed Interest Fund

## Distribution Tables

for the year ended 30 April 2024

### Income share distributions

| Share class | Distribution   | Shares  | Net revenue<br>p | Equalisation<br>p | Distribution paid/payable<br>2024<br>p | Distribution paid<br>2023<br>p |
|-------------|----------------|---------|------------------|-------------------|----------------------------------------|--------------------------------|
| A Income    | First interim  | Group 1 | 0.6294           | –                 | 0.6294                                 | 0.2507                         |
|             |                | Group 2 | 0.3140           | 0.3154            | 0.6294                                 | 0.2507                         |
|             | Second interim | Group 1 | 0.7050           | –                 | 0.7050                                 | 0.3889                         |
|             |                | Group 2 | 0.1384           | 0.5666            | 0.7050                                 | 0.3889                         |
|             | Third interim  | Group 1 | 0.7312           | –                 | 0.7312                                 | 0.5181                         |
|             |                | Group 2 | 0.2601           | 0.4711            | 0.7312                                 | 0.5181                         |
|             | Final          | Group 1 | 0.7283           | –                 | 0.7283                                 | 0.5520                         |
|             |                | Group 2 | 0.3737           | 0.3546            | 0.7283                                 | 0.5520                         |

### Accumulation share distributions

| Share class     | Distribution   | Shares  | Net revenue<br>p | Equalisation<br>p | Amount reinvested<br>2024<br>p | Amount reinvested<br>2023<br>p |
|-----------------|----------------|---------|------------------|-------------------|--------------------------------|--------------------------------|
| A Accumulation  | First interim  | Group 1 | 0.6114           | –                 | 0.6114                         | 0.2374                         |
|                 |                | Group 2 | 0.3243           | 0.2871            | 0.6114                         | 0.2374                         |
|                 | Second interim | Group 1 | 0.6915           | –                 | 0.6915                         | 0.3709                         |
|                 |                | Group 2 | 0.3657           | 0.3258            | 0.6915                         | 0.3709                         |
|                 | Third interim  | Group 1 | 0.7230           | –                 | 0.7230                         | 0.4955                         |
|                 |                | Group 2 | 0.1986           | 0.5244            | 0.7230                         | 0.4955                         |
|                 | Final          | Group 1 | 0.7275           | –                 | 0.7275                         | 0.5256                         |
|                 |                | Group 2 | 0.3421           | 0.3854            | 0.7275                         | 0.5256                         |
| B Accumulation* | First interim  | Group 1 | n/a              | n/a               | n/a                            | n/a                            |
|                 |                | Group 2 | n/a              | n/a               | n/a                            | n/a                            |
|                 | Second interim | Group 1 | n/a              | n/a               | n/a                            | n/a                            |
|                 |                | Group 2 | n/a              | n/a               | n/a                            | n/a                            |
|                 | Third interim  | Group 1 | n/a              | n/a               | n/a                            | n/a                            |
|                 |                | Group 2 | n/a              | n/a               | n/a                            | n/a                            |
|                 | Final          | Group 1 | –                | –                 | –                              | n/a                            |
|                 |                | Group 2 | –                | –                 | –                              | n/a                            |

\*B Accumulation Launched 17 April 2024.

First interim period: 01.05.23 - 31.07.23

Second interim period: 01.08.23 - 31.10.23

Third interim period: 01.11.23 - 31.01.24

Final period: 01.02.24 - 30.04.24

Group 1: Shares purchased prior to a distribution period

Group 2: Shares purchased during a distribution period

### Equalisation

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

## Investment Objective and Policy

for the year ended 30 April 2024

### Investment Objective

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

### Investment Policy

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

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

The Sub-fund may invest directly or indirectly in order to gain exposure to a diversified portfolio of asset classes. The Sub-fund will typically invest at least 90% of the portfolio indirectly but at times, dependent on market conditions and the Investment Manager's view of the market, the indirect exposure may be higher or lower, but it is not expected to ever fall below 80%.

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

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

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

## Investment Manager's Report

for the year ended 30 April 2024

### Market Commentary

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

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

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

# MI Quilter Cheviot Diversified Returns Fund

## Investment Manager's Report

continued

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

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

### Investment Review

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

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

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

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

## Investment Manager's Report

continued

### Outlook

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

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

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

~Source: Data provided by FactSet.

# MI Quilter Cheviot Diversified Returns Fund

## Portfolio Statement

as at 30 April 2024

| Holding                                                                 | Security                                                                            | Market value<br>£ | % of total<br>net assets<br>2024 |
|-------------------------------------------------------------------------|-------------------------------------------------------------------------------------|-------------------|----------------------------------|
| <b>FINANCIALS 97.95% (94.23%)</b>                                       |                                                                                     |                   |                                  |
| <b>Closed-Ended Investments 3.57% (10.38%)</b>                          |                                                                                     |                   |                                  |
| 468,079                                                                 | BH Macro                                                                            | 1,682,744         | 3.57                             |
| <b>Open-Ended and Miscellaneous Investment Vehicles 94.38% (83.85%)</b> |                                                                                     |                   |                                  |
| 20,452                                                                  | Aspect Diversified Trends - P GBP Institutional*                                    | 4,044,316         | 8.57                             |
| 23,264                                                                  | BlackRock ICS Sterling Liquidity Premier - Accumulation*                            | 2,640,876         | 5.60                             |
| 68,636                                                                  | Fidante Partners Liquid Strategies ICAV - Ardea Global Alpha - X GBP Hedged Income* | 6,449,036         | 13.66                            |
| 265,583                                                                 | HSBC MSCI World UCITS ETF - USD Distributing                                        | 7,080,443         | 15.00                            |
| 29,086                                                                  | iShares UK Gilts 0-5yr UCITS ETF - GBP Distributing                                 | 3,663,673         | 7.76                             |
| 4,155,218                                                               | Janus Henderson Absolute Return - G Accumulation*                                   | 4,982,106         | 10.55                            |
| 46,187                                                                  | MontLake UCITS Fund Platform ICAV - Mygale Event Driven UCITS*                      | 5,088,387         | 10.78                            |
| 258,058                                                                 | PIMCO GIS Dynamic Multi-Asset - Institutional GBP (Hedged) Accumulation*            | 3,274,759         | 6.94                             |
| 30,892                                                                  | Trium ESG Emissions Improvers - F GBP Accumulation*                                 | 4,012,562         | 8.50                             |
| 2,570,162                                                               | Trojan - X Income - GBP Distributing*                                               | 3,314,738         | 7.02                             |
|                                                                         |                                                                                     | 44,550,896        | 94.38                            |
| <b>Investment assets</b>                                                |                                                                                     | <b>46,233,640</b> | <b>97.95</b>                     |
| <b>Net other assets</b>                                                 |                                                                                     | <b>969,270</b>    | <b>2.05</b>                      |
| <b>Net assets</b>                                                       |                                                                                     | <b>47,202,910</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 30.04.23.

\*Collective Investment Schemes permitted under COLL, not listed on any exchange.

## Comparative Tables

### Change in net assets per share

| A Income~                                      | 30.04.24<br>p | 30.04.23<br>p | 30.04.22<br>p       |
|------------------------------------------------|---------------|---------------|---------------------|
| <b>Opening net asset value per share</b>       | 96.91         | 99.65         | 100.00 <sup>†</sup> |
| Return before operating charges <sup>^</sup>   | 4.86          | -1.03         | 0.77                |
| Operating charges                              | -0.75         | -0.79         | -0.88               |
| Return after operating charges <sup>^</sup>    | 4.11          | -1.82         | -0.11 <sup>^^</sup> |
| Distributions                                  | -1.97         | -0.92         | -0.24               |
| <b>Closing net asset value per share</b>       | <b>99.05</b>  | <b>96.91</b>  | <b>99.65</b>        |
| <sup>^</sup> After direct transaction costs of | 0.00          | 0.01          | 0.00                |
| <b>Performance</b>                             |               |               |                     |
| Return after charges                           | 4.24%         | -1.83%        | -0.11%              |
| <b>Other information</b>                       |               |               |                     |
| Closing net asset value                        | £33,146,477   | £57,804,668   | £50,962,970         |
| Closing number of shares                       | 33,463,332    | 59,644,722    | 51,139,563          |
| Operating charges                              | 0.77%         | 0.81%         | 0.88%               |
| Ongoing operating charges <sup>‡*</sup>        | 0.83%         | 0.80%         | 0.95%               |
| Direct transaction costs                       | 0.00%         | -0.01%        | 0.00%               |
| <b>Prices</b>                                  |               |               |                     |
| Highest share price                            | 100.25        | 99.88         | 102.78              |
| Lowest share price                             | 95.52         | 96.00         | 97.74               |

| A Accumulation~~                               | 30.04.24<br>p | 30.04.23<br>p | 30.04.22<br>p       |
|------------------------------------------------|---------------|---------------|---------------------|
| <b>Opening net asset value per share</b>       | 96.08         | 97.88         | 100.00 <sup>†</sup> |
| Return before operating charges <sup>^</sup>   | 4.82          | -1.02         | -1.26               |
| Operating charges                              | -0.75         | -0.78         | -0.86               |
| Return after operating charges <sup>^</sup>    | 4.07          | -1.80         | -2.12               |
| Distributions                                  | -1.95         | -0.88         | -0.24               |
| Retained distributions on accumulation shares  | 1.95          | 0.88          | 0.24                |
| <b>Closing net asset value per share</b>       | <b>100.15</b> | <b>96.08</b>  | <b>97.88</b>        |
| <sup>^</sup> After direct transaction costs of | 0.00          | 0.01          | 0.00                |
| <b>Performance</b>                             |               |               |                     |
| Return after charges                           | 4.24%         | -1.84%        | -2.12%              |
| <b>Other information</b>                       |               |               |                     |
| Closing net asset value                        | £14,056,349   | £16,519,699   | £328,698            |
| Closing number of shares                       | 14,034,609    | 17,193,542    | 335,821             |
| Operating charges                              | 0.77%         | 0.81%         | 0.88%               |
| Ongoing operating charges <sup>‡*</sup>        | 0.83%         | 0.80%         | 0.95%               |
| Direct transaction costs                       | 0.00%         | -0.01%        | 0.00%               |
| <b>Prices</b>                                  |               |               |                     |
| Highest share price                            | 100.85        | 98.10         | 100.70              |
| Lowest share price                             | 94.70         | 94.55         | 95.84               |

~A Income share class launched on 30 September 2021.

~~A Accumulation share class launched on 13 December 2021.

<sup>†</sup>Launch Price.

<sup>^^</sup>A Income return after charges for the period 13 December 2021 to 30 April 2022 was -2.14%.

# MI Quilter Cheviot Diversified Returns Fund

## Comparative Tables

continued

| <b>B Income~~~</b>                             | <b>30.04.24<br/>p</b> |
|------------------------------------------------|-----------------------|
| <b>Opening net asset value per share</b>       | 100.00 <sup>†</sup>   |
| Return before operating charges <sup>^</sup>   | 1.77                  |
| Operating charges                              | -1.57                 |
| Return after operating charges <sup>^</sup>    | 0.20                  |
| Redemption payment                             | -99.76                |
| Distributions                                  | -0.44                 |
| <b>Closing net asset value per share</b>       | <b>0.00</b>           |
| <sup>^</sup> After direct transaction costs of | 0.00                  |
| <b>Performance</b>                             |                       |
| Return after charges                           | 0.20%                 |
| <b>Other information</b>                       |                       |
| Closing net asset value                        | £0                    |
| Closing number of shares                       | 0                     |
| Operating charges                              | 1.57%                 |
| Ongoing operating charges <sup>‡*</sup>        | 1.63%                 |
| Direct transaction costs                       | 0.00%                 |
| <b>Prices</b>                                  |                       |
| Highest share price                            | 100.71                |
| Lowest share price                             | 98.66                 |

| <b>B Accumulation~~~~</b>                      | <b>30.04.24<br/>p</b> |
|------------------------------------------------|-----------------------|
| <b>Opening net asset value per share</b>       | 100.00 <sup>†</sup>   |
| Return before operating charges <sup>^</sup>   | -1.49                 |
| Operating charges                              | 0.77                  |
| Return after operating charges <sup>^</sup>    | -0.73                 |
| Distributions                                  | -0.32                 |
| Retained distributions on accumulation shares  | 0.32                  |
| <b>Closing net asset value per share</b>       | <b>99.27</b>          |
| <sup>^</sup> After direct transaction costs of | 0.00                  |
| <b>Performance</b>                             |                       |
| Return after charges                           | -0.73%                |
| <b>Other information</b>                       |                       |
| Closing net asset value                        | £84                   |
| Closing number of shares                       | 85                    |
| Operating charges                              | 0.77%                 |
| Ongoing operating charges <sup>‡*</sup>        | 1.63%                 |
| Direct transaction costs                       | 0.00%                 |
| <b>Prices</b>                                  |                       |
| Highest share price                            | 100.29                |
| Lowest share price                             | 99.86                 |

<sup>†</sup>Launch Price.

~~~B Income share class launched on 9 May 2023 and dis-invested 8 August 2023.

~~~~B Accumulation launched 17 April 2024.

<sup>‡</sup>From 31 October 2023, as a result of changes to guidance, Closed-Ended funds are not included within the synthetic ongoing charges.

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

\*The Net Asset Value of the Sub-fund has decreased by more than 10% if compared to the average Net Asset Value for the year. Taking an average of the daily Net Asset Value for the last month of the year has the effect of increasing the operating charges by 0.06%. The Investment Manager has waived the Investment Manager's fee on the B Accumulation share class until further investment is received. This will increase the operating charges by 0.80%. The ACD believes this to be more representative of the charges going forward.



## Comparative Tables

continued

The return after charges is calculated as the closing Net Asset Value per share plus the distributions on income shares minus the opening Net Asset Value per share as a % of the opening Net Asset Value per share. The basis of valuation of investments used to calculate Net Asset Value per share is described in notes to the Financial Statements 1h) and complies with requirements of the current Statement of Recommended Practice for Financial Statements of UK Authorised Funds. This differs from the basis used to calculate daily published single prices, in which listed investments are valued at 12:00 mid prices.

Direct transaction costs include fees, commissions, transfer taxes and duties in the purchasing and selling of investments, which are offset (where applicable) against any dilution levies charged within the accounting year. The figures used within the table have been calculated against the average Net Asset Value for the accounting year.

## Risk and Reward Profile

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



The Sub-fund is ranked at 3 because funds of this type have experienced low to medium rises and falls in value in the past. Please note that even the lowest risk class can lose you money and that extreme market circumstances can mean you suffer severe losses in all cases. The indicator does not take into account the following risks of investing in this Sub-fund:

- Investing overseas can bring additional returns and spread risk to different markets. There are risks, however, that changes in currency exchange rates may cause the value of your investment to decrease or increase.
- Investing in other funds may expose investors to increased risk due to less strict regulations and the use of derivatives. These other funds can themselves invest into assets such as bonds, company shares, cash and currencies. The objectives and risk profiles of these underlying funds may not be fully in line with those of this Sub-fund.
- In difficult market conditions, the value of some investments may be less predictable than normal and the Sub-fund may not be able to buy and sell these investments at the best time or at a fair price. This could affect the Sub-fund's performance, potentially reducing your returns.
- The Sub-fund may invest in bond funds which will be impacted by changes in interest rates, inflation and any decline in creditworthiness of the underlying bond issuers.
- The Sub-fund can use derivatives in order to meet its investment objectives or to protect from price and currency movement. This may result in gains or losses that are greater than the original amount invested.
- For further risk information please see the Prospectus.

### Risk warning

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

# MI Quilter Cheviot Diversified Returns Fund

## Statement of Total Return

for the year ended 30 April 2024

|                                                                                     | Note | £         | 30.04.24<br>£    | 30.04.23<br>£      |
|-------------------------------------------------------------------------------------|------|-----------|------------------|--------------------|
| Income                                                                              |      |           |                  |                    |
| Net capital gains/(losses)                                                          | 2    |           | 1,220,444        | (1,585,117)        |
| Revenue                                                                             | 3    | 1,498,926 |                  | 731,274            |
| Expenses                                                                            | 4    | (106,660) |                  | (114,284)          |
| Interest payable and similar charges                                                | 4    | (202)     |                  | (616)              |
| Net revenue before taxation                                                         |      | 1,392,064 |                  | 616,374            |
| Taxation                                                                            | 5    | (143,545) |                  | -                  |
| Net revenue after taxation                                                          |      |           | 1,248,519        | 616,374            |
| <b>Total return before distributions</b>                                            |      |           | <b>2,468,963</b> | <b>(968,743)</b>   |
| Distributions                                                                       | 6    |           | (1,248,489)      | (616,372)          |
| <b>Change in net assets attributable to Shareholders from investment activities</b> |      |           | <b>1,220,474</b> | <b>(1,585,115)</b> |

## Statement of Change in Net Assets Attributable to Shareholders

for the year ended 30 April 2024

|                                                                                                                    | £            | 30.04.24<br>£     | 30.04.23<br>£     |
|--------------------------------------------------------------------------------------------------------------------|--------------|-------------------|-------------------|
| <b>Opening net assets attributable to Shareholders</b>                                                             |              | <b>74,324,367</b> | <b>51,291,668</b> |
| Amounts receivable on issue of shares                                                                              | 27,625,643   |                   | 41,777,500        |
| Dilution levy                                                                                                      | -            |                   | 3,440             |
| Less: Amounts payable on cancellation of shares                                                                    | (56,287,314) |                   | (17,247,918)      |
|                                                                                                                    |              | (28,661,671)      | 24,533,022        |
| Change in net assets attributable to Shareholders from investment activities (see Statement of Total Return above) |              | 1,220,474         | (1,585,115)       |
| Retained distributions on accumulation shares                                                                      |              | 319,740           | 84,792            |
| <b>Closing net assets attributable to Shareholders</b>                                                             |              | <b>47,202,910</b> | <b>74,324,367</b> |

The notes on pages 72 to 78 form an integral part of these Financial Statements.

# MI Quilter Cheviot Diversified Returns Fund

## Balance Sheet

as at 30 April 2024

|                                                | Note | 30.04.24  |                   | 30.04.23    |                    |
|------------------------------------------------|------|-----------|-------------------|-------------|--------------------|
|                                                |      | £         | £                 | £           | £                  |
| <b>ASSETS</b>                                  |      |           |                   |             |                    |
| <b>Fixed assets</b>                            |      |           |                   |             |                    |
| Investments                                    |      |           | 46,233,640        |             | 70,033,269         |
| <b>Current assets</b>                          |      |           |                   |             |                    |
| Debtors                                        | 7    | 301,254   |                   | 4,101,633   |                    |
| Cash and bank balances                         | 9    | 1,172,240 |                   | 4,058,596   |                    |
| <b>Total current assets</b>                    |      |           | <b>1,473,494</b>  |             | <b>8,160,229</b>   |
| <b>Total assets</b>                            |      |           | <b>47,707,134</b> |             | <b>78,193,498</b>  |
| <b>LIABILITIES</b>                             |      |           |                   |             |                    |
| <b>Creditors</b>                               |      |           |                   |             |                    |
| Bank overdrafts                                | 9    | (8,536)   |                   | -           |                    |
| Distribution payable                           |      | (169,258) |                   | (129,787)   |                    |
| Other creditors                                | 8    | (326,430) |                   | (3,739,344) |                    |
| <b>Total creditors</b>                         |      |           | <b>(504,224)</b>  |             | <b>(3,869,131)</b> |
| <b>Total liabilities</b>                       |      |           | <b>(504,224)</b>  |             | <b>(3,869,131)</b> |
| <b>Net assets attributable to Shareholders</b> |      |           | <b>47,202,910</b> |             | <b>74,324,367</b>  |

The notes on pages 72 to 78 form an integral part of these Financial Statements.

# MI Quilter Cheviot Diversified Returns Fund

## Notes to the Financial Statements

for the year ended 30 April 2024

### 1. Accounting Policies

The Sub-fund's Financial Statements have been prepared on the same basis as the Accounting Policies stated on pages 8 and 9.

### 2. Net Capital Gains/(Losses)^

|                           | Realised<br>£      | 30.04.24<br>Unrealised<br>£ | Total<br>£       |
|---------------------------|--------------------|-----------------------------|------------------|
| Non-derivative securities | (2,234,327)        | 3,462,497                   | 1,228,170        |
| Currency losses           | (383)              | –                           | (383)            |
| Transaction charges       | (7,343)            | –                           | (7,343)          |
| <b>Net capital gains</b>  | <b>(2,242,053)</b> | <b>3,462,497</b>            | <b>1,220,444</b> |

|                           | Realised<br>£      | 30.04.23<br>Unrealised<br>£ | Total<br>£         |
|---------------------------|--------------------|-----------------------------|--------------------|
| Non-derivative securities | (1,019,121)        | (555,795)                   | (1,574,916)        |
| Currency losses           | (325)              | –                           | (325)              |
| Transaction charges       | (9,876)            | –                           | (9,876)            |
| <b>Net capital losses</b> | <b>(1,029,322)</b> | <b>(555,795)</b>            | <b>(1,585,117)</b> |

^Where realised gains/losses include gains/losses arising from prior years, a corresponding loss/gain is included within the unrealised gains/losses presented.

### 3. Revenue

|                                                             | 30.04.24<br>£    | 30.04.23<br>£  |
|-------------------------------------------------------------|------------------|----------------|
| Overseas dividends                                          | 305,248          | 428,227        |
| Distributions from Regulated Collective Investment Schemes: |                  |                |
| Franked investment income                                   | 157,622          | 23,244         |
| Interest distributions                                      | 769,897          | 73,275         |
| Offshore distributions                                      | 157,648          | 173,345        |
| Bank interest                                               | 108,511          | 33,183         |
| <b>Total revenue</b>                                        | <b>1,498,926</b> | <b>731,274</b> |

### 4. Expenses

|                                                                                                           | 30.04.24<br>£ | 30.04.23<br>£ |
|-----------------------------------------------------------------------------------------------------------|---------------|---------------|
| Payable to the Authorised Corporate Director ('ACD'), associates of the ACD and agents of either of them: |               |               |
| ACD's fee                                                                                                 | 15,516        | 16,030        |
| Administration fees                                                                                       | 22,074        | 22,469        |
| Registration fees                                                                                         | 49,134        | 43,983        |
|                                                                                                           | 86,724        | 82,482        |
| Payable to the Investment Manager, associates of the Investment Manager and agents of either of them:     |               |               |
| Investment Manager's fee                                                                                  | 13            | –             |

## Notes to the Financial Statements

continued

### 4. Expenses (continued)

|                                                                                       | 30.04.24<br>£  | 30.04.23<br>£  |
|---------------------------------------------------------------------------------------|----------------|----------------|
| Payable to the Depositary, associates of the Depositary and agents of either of them: |                |                |
| Depositary's fee (including VAT)                                                      | 6,212          | 6,559          |
| Safe custody and other bank charges                                                   | 2,448          | 2,657          |
|                                                                                       | <hr/> 8,660    | <hr/> 9,216    |
| Auditor's remuneration*:                                                              |                |                |
| Audit fee                                                                             | 10,870         | 10,065         |
| Tax Compliance services                                                               | 2,349          | 2,163          |
|                                                                                       | <hr/> 13,219   | <hr/> 12,228   |
| Other expenses:                                                                       |                |                |
| Legal fees                                                                            | 6,493          | 10,406         |
| Printing costs                                                                        | 1,779          | (48)           |
|                                                                                       | <hr/> 8,272    | <hr/> 10,358   |
| Rebates:                                                                              |                |                |
| Manager fee rebates from underlying holdings                                          | (10,228)       | –              |
|                                                                                       | <hr/>          | <hr/>          |
| <b>Expenses</b>                                                                       | <b>106,660</b> | <b>114,284</b> |
| Interest payable and similar charges                                                  | 202            | 616            |
| <b>Total</b>                                                                          | <b>106,862</b> | <b>114,900</b> |

\*Included within the auditors remuneration is irrecoverable VAT of £2,203 (2023: £2,038).

### 5. Taxation

|                                                     | 30.04.24<br>£  | 30.04.23<br>£ |
|-----------------------------------------------------|----------------|---------------|
| (a) Analysis of charge in the year:                 |                |               |
| Corporation tax at 20%                              | 143,545        | –             |
| <b>Total tax charge (note 5b)</b>                   | <b>143,545</b> | <b>–</b>      |
| (b) Factors affecting taxation charge for the year: |                |               |
| Net revenue before taxation                         | 1,392,064      | 616,374       |
| Corporation tax at 20%                              | 278,413        | 123,275       |
| Effects of:                                         |                |               |
| UK dividends                                        | (31,524)       | (4,649)       |
| Movement in surplus management expenses             | (10,764)       | 1,688         |
| Non-taxable overseas earnings                       | (92,580)       | (120,314)     |
| <b>Total tax charge (note 5a)</b>                   | <b>143,545</b> | <b>–</b>      |

#### (c) Deferred tax

At the year end there was no liability to deferred tax at the balance sheet date (2023: nil). The potential deferred tax asset of £nil (2023: £10,764) in relation to surplus management expenses of £nil (2023: £53,820). The Sub-fund is has now utilised all prior year surplus management expenses.

# MI Quilter Cheviot Diversified Returns Fund

## Notes to the Financial Statements

continued

### 6. Distributions

The distributions take account of revenue received on the issue of shares and revenue deducted on the cancellation of shares, and comprise:

|                                            |          | <b>30.04.24</b>  | <b>30.04.23</b> |
|--------------------------------------------|----------|------------------|-----------------|
|                                            |          | <b>£</b>         | <b>£</b>        |
| First interim distribution                 | 31.07.23 | 435,156          | 157,463         |
| Second interim distribution                | 31.10.23 | 131,924          | 99,675          |
| Third interim distribution                 | 31.01.24 | 432,504          | 207,772         |
| Final distribution                         | 30.04.24 | 238,785          | 164,587         |
|                                            |          | <b>1,238,369</b> | <b>629,497</b>  |
| Revenue deducted on cancellation of shares |          | 49,939           | 9,683           |
| Revenue received on issue of shares        |          | (39,819)         | (22,808)        |
| <b>Distributions</b>                       |          | <b>1,248,489</b> | <b>616,372</b>  |

### Reconciliation of net revenue after taxation to net distributions:

|                                                          |  |                  |                |
|----------------------------------------------------------|--|------------------|----------------|
| Net revenue after taxation per Statement of Total Return |  | 1,248,519        | 616,374        |
| Undistributed revenue brought forward                    |  | 9                | 7              |
| Undistributed revenue carried forward                    |  | (39)             | (9)            |
| <b>Distributions</b>                                     |  | <b>1,248,489</b> | <b>616,372</b> |

### 7. Debtors

|                              |  | <b>30.04.24</b> | <b>30.04.23</b>  |
|------------------------------|--|-----------------|------------------|
|                              |  | <b>£</b>        | <b>£</b>         |
| Amounts receivable on issues |  | 272,884         | 378,225          |
| Sales awaiting settlement    |  | –               | 3,598,938        |
| Accrued income:              |  |                 |                  |
| Dividends receivable         |  | 28,083          | 122,836          |
| Prepaid expenses:            |  |                 |                  |
| Legal fees                   |  | 287             | 1,634            |
| <b>Total debtors</b>         |  | <b>301,254</b>  | <b>4,101,633</b> |

### 8. Other Creditors

|                                                                                                                   |  | <b>30.04.24</b> | <b>30.04.23</b> |
|-------------------------------------------------------------------------------------------------------------------|--|-----------------|-----------------|
|                                                                                                                   |  | <b>£</b>        | <b>£</b>        |
| Amounts payable on cancellations                                                                                  |  | 160,513         | 291,456         |
| Purchases awaiting settlement                                                                                     |  | –               | 3,423,695       |
| Accrued expenses:                                                                                                 |  |                 |                 |
| Amounts payable to the Authorised Corporate Director ('ACD'), associates of the ACD and agents of either of them: |  |                 |                 |
| ACD's fee                                                                                                         |  | 887             | 1,523           |
| Administration fee                                                                                                |  | 1,274           | 2,154           |
| Registration fees                                                                                                 |  | 4,447           | 3,821           |
|                                                                                                                   |  | <b>6,608</b>    | <b>7,498</b>    |

## Notes to the Financial Statements

continued

### 8. Other Creditors (continued)

|                                                                                               | 30.04.24<br>£  | 30.04.23<br>£    |
|-----------------------------------------------------------------------------------------------|----------------|------------------|
| Amounts payable to the Depositary, associates of the Depositary and agents of either of them: |                |                  |
| Depositary's fee (including VAT)                                                              | 1,252          | 1,213            |
| Safe custody and other bank charges                                                           | 437            | 487              |
|                                                                                               | 1,689          | 1,700            |
| Other expenses:                                                                               |                |                  |
| Auditor's remuneration*:                                                                      |                |                  |
| Audit fee                                                                                     | 10,870         | 10,065           |
| Tax compliance services                                                                       | 2,349          | 4,140            |
|                                                                                               | 13,219         | 14,205           |
| Other accrued expenses:                                                                       |                |                  |
| Printing costs                                                                                | 856            | 790              |
| Taxation payable:                                                                             |                |                  |
| Corporation tax payable                                                                       | 143,545        | –                |
|                                                                                               | 143,545        | –                |
| <b>Total other creditors</b>                                                                  | <b>326,430</b> | <b>3,739,344</b> |

\*Included within the auditors remuneration is irrecoverable VAT of £2,203 (2023: £2,368).

### 9. Cash and Bank Balances

|                               | 30.04.24<br>£    | 30.04.23<br>£    |
|-------------------------------|------------------|------------------|
| Cash and bank balances        | 1,172,240        | 4,058,596        |
| Overdraft positions           | (8,536)          | –                |
| <b>Cash and bank balances</b> | <b>1,163,704</b> | <b>4,058,596</b> |

### 10. Related Party Transactions

Apex Fundrock Limited ('AFL') is regarded as a related party by virtue of having the ability to act in respect of the operations of the Sub-fund in its capacity as the Authorised Corporate Director ('ACD').

ACD and other fees payable to AFL are disclosed in note 4 and amounts due at the year end are shown in note 8.

Fees payable to Quilter Cheviot Limited (the 'Investment Manager') are disclosed in note 4 and amounts due at the year end are shown in note 8.

Amounts receivable on issue and payable on cancellation of shares and dilution levy are disclosed in the Statement of Change in Net Assets Attributable to Shareholders and in note 6, amounts due at the year end are shown in notes 7 and 8.

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

### 11. Contingent Liabilities and Outstanding Commitments

There were no contingent liabilities or outstanding commitments at the balance sheet date (2023: none).

# MI Quilter Cheviot Diversified Returns Fund

## Notes to the Financial Statements

continued

### 12. Risk Management Policies and Disclosures

The main risks arising from financial instruments and the ACD's policies for managing these risks are disclosed in note 2 on pages 9 to 11.

Numerical disclosures relating to the Sub-fund are as follows:

#### Disclosure of VaR limit

|                  | 30.04.24<br>% of VaR | Utilisation of<br>VaR (*) 20% | 30.04.23<br>% of VaR | Utilisation of<br>VaR (*) 20% |
|------------------|----------------------|-------------------------------|----------------------|-------------------------------|
| VaR at year end: | 2.82                 | 14.10                         | 3.31                 | 16.55                         |
| Minimum VaR:     | 2.73                 | 13.65                         | 2.95                 | 14.75                         |
| Maximum VaR:     | 3.95                 | 19.75                         | 3.78                 | 18.90                         |
| Average VaR:     | 3.24                 | 16.20                         | 3.27                 | 16.35                         |

\*The VaR on the Sub-fund has been divided by its maximum limit.

#### Currency risk

The table below details the currency risk profile at the balance sheet date:

|                      | 30.04.24<br>Total<br>£ | 30.04.23<br>Total<br>£ |
|----------------------|------------------------|------------------------|
| Pound sterling       | 36,819,625             | 55,712,113             |
| United States dollar | 10,383,285             | 18,612,254             |
|                      | <b>47,202,910</b>      | <b>74,324,367</b>      |

At the balance sheet date, if the value of sterling increased or decreased by 10%, with all other variables held constant, then the net assets attributable to Shareholders would increase or decrease by approximately £1,038,239 (2023: £1,861,225).



## Notes to the Financial Statements

continued

### 13. Portfolio Transaction Costs

30.04.24

| Analysis of purchases                            | Total purchase cost<br>£ | Commissions paid |      | Taxes |      | Purchases before transaction cost<br>£ |
|--------------------------------------------------|--------------------------|------------------|------|-------|------|----------------------------------------|
|                                                  |                          | £                | %    | £     | %    |                                        |
| Equities                                         | 1,274,749                | –                | 0.00 | 6     | 0.00 | 1,274,743                              |
| Corporate actions                                | 459,425                  | –                | 0.00 | –     | 0.00 | 459,425                                |
| Funds                                            | 7,546,160                | –                | 0.00 | –     | 0.00 | 7,546,160                              |
| <b>Total purchases after commissions and tax</b> | <b>9,280,334</b>         |                  |      |       |      |                                        |

| Analysis of sales                            | Net sale proceeds<br>£ | Commissions paid |      | Taxes |      | Sales before transaction cost<br>£ |
|----------------------------------------------|------------------------|------------------|------|-------|------|------------------------------------|
|                                              |                        | £                | %    | £     | %    |                                    |
| Equities                                     | 6,129,968              | –                | 0.00 | 4     | 0.00 | 6,129,972                          |
| Funds                                        | 28,178,167             | –                | 0.00 | 0     | 0.00 | 28,178,167                         |
| <b>Total sales after commissions and tax</b> | <b>34,308,135</b>      |                  |      |       |      |                                    |

|                                         |       |
|-----------------------------------------|-------|
| Commission as a % of average net assets | 0.00% |
| Taxes as a % of the average net assets  | 0.00% |

30.04.23

| Analysis of purchases                            | Total purchase cost<br>£ | Commissions paid |      | Taxes |      | Purchases before transaction cost<br>£ |
|--------------------------------------------------|--------------------------|------------------|------|-------|------|----------------------------------------|
|                                                  |                          | £                | %    | £     | %    |                                        |
| Equities                                         | 5,607,227                | –                | 0.00 | 7     | 0.00 | 5,607,220                              |
| Funds                                            | 28,312,309               | –                | 0.00 | –     | 0.00 | 28,312,309                             |
| <b>Total purchases after commissions and tax</b> | <b>33,919,536</b>        |                  |      |       |      |                                        |

| Analysis of sales                            | Net sale proceeds<br>£ | Commissions paid |      | Taxes |      | Sales before transaction cost<br>£ |
|----------------------------------------------|------------------------|------------------|------|-------|------|------------------------------------|
|                                              |                        | £                | %    | £     | %    |                                    |
| Equities                                     | 2,019,761              | –                | 0.00 | –     | 0.00 | 2,019,761                          |
| Funds                                        | 9,948,644              | –                | 0.00 | –     | 0.00 | 9,948,644                          |
| <b>Total sales after commissions and tax</b> | <b>11,968,405</b>      |                  |      |       |      |                                    |

|                                         |       |
|-----------------------------------------|-------|
| Commission as a % of average net assets | 0.00% |
| Taxes as a % of the average net assets  | 0.00% |

Commissions and taxes as a % of the average net assets form part of the direct transaction costs stated within the comparative tables on pages 67 to 69. The direct transaction costs within the comparative tables may differ due to the effect of dilution levies charged (where applicable).

### 14. Portfolio Dealing Spread

The average portfolio dealing spread at 30 April 2024 is 0.02% (2023: 0.06%).

# MI Quilter Cheviot Diversified Returns Fund

## Notes to the Financial Statements

continued

### 15. Post Balance Sheet Events

There were no notifiable events post the year end balance sheet date (2023: none).

### 16. Fair Value Disclosure

| Valuation technique    | 30.04.24          |                  | 30.04.23          |                  |
|------------------------|-------------------|------------------|-------------------|------------------|
|                        | Assets<br>£       | Liabilities<br>£ | Assets<br>£       | Liabilities<br>£ |
| Level 1 <sup>^</sup>   | 12,426,860        | –                | 7,713,527         | –                |
| Level 2 <sup>^^</sup>  | 33,796,780        | –                | 62,319,742        | –                |
| Level 3 <sup>^^^</sup> | –                 | –                | –                 | –                |
|                        | <b>46,233,640</b> | <b>–</b>         | <b>70,033,269</b> | <b>–</b>         |

<sup>^</sup>Level 1: Unadjusted quoted price in an active market for an identical instrument.

<sup>^^</sup>Level 2: Valuation techniques using observable inputs other than quoted prices within level 1.

<sup>^^^</sup>Level 3: Valuation techniques using unobservable inputs.

### 17. Shares in Issue

|                                 | A<br>Income<br>GBP | A<br>Accumulation<br>GBP | B<br>Income<br>GBP | B<br>Accumulation<br>GBP |
|---------------------------------|--------------------|--------------------------|--------------------|--------------------------|
| Opening number of shares        | 59,644,722         | 17,193,542               | –                  | –                        |
| Shares issued                   | 15,977,306         | 12,332,218               | –                  | 85                       |
| Shares cancelled                | (42,152,069)       | (15,491,151)             | (6,409)            | –                        |
| Shares converted                | (6,627)            | –                        | 6,409              | –                        |
| <b>Closing number of shares</b> | <b>33,463,332</b>  | <b>14,034,609</b>        | <b>–</b>           | <b>85</b>                |

# MI Quilter Cheviot Diversified Returns Fund

## Distribution Tables

for the year ended 30 April 2024

### Income share distributions

| Share class | Distribution   | Shares               | Net revenue<br>p | Equalisation<br>p | Distribution paid/payable<br>2024<br>p | Distribution paid<br>2023<br>p |
|-------------|----------------|----------------------|------------------|-------------------|----------------------------------------|--------------------------------|
| A Income    | First interim  | Group 1              | 0.5610           | -                 | 0.5610                                 | 0.2617                         |
|             |                | Group 2              | 0.4042           | 0.1568            | 0.5610                                 | 0.2617                         |
|             | Second interim | Group 1              | 0.2153           | -                 | 0.2153                                 | 0.1442                         |
|             |                | Group 2              | 0.1517           | 0.0636            | 0.2153                                 | 0.1442                         |
|             | Third interim  | Group 1              | 0.6890           | -                 | 0.6890                                 | 0.2930                         |
|             |                | Group 2              | 0.3763           | 0.3127            | 0.6890                                 | 0.2930                         |
|             | Final          | Group 1              | 0.5058           | -                 | 0.5058                                 | 0.2176                         |
|             |                | Group 2              | 0.4191           | 0.0867            | 0.5058                                 | 0.2176                         |
| B Income*   | First interim  | Group 1              | 0.4354           | -                 | 0.4354                                 | n/a                            |
|             |                | Group 2 <sup>^</sup> | 0.4354           | -                 | 0.4354                                 | n/a                            |
|             | Second interim | Group 1              | n/a              | n/a               | n/a                                    | n/a                            |
|             |                | Group 2              | n/a              | n/a               | n/a                                    | n/a                            |
|             | Third interim  | Group 1              | n/a              | n/a               | n/a                                    | n/a                            |
|             |                | Group 2              | n/a              | n/a               | n/a                                    | n/a                            |
|             | Final          | Group 1              | n/a              | n/a               | n/a                                    | n/a                            |
|             |                | Group 2              | n/a              | n/a               | n/a                                    | n/a                            |

### Accumulation share distributions

| Share class      | Distribution   | Shares               | Net revenue<br>p | Equalisation<br>p | Amount reinvested<br>2024<br>p | Amount reinvested<br>2023<br>p |
|------------------|----------------|----------------------|------------------|-------------------|--------------------------------|--------------------------------|
| A Accumulation   | First interim  | Group 1              | 0.5561           | -                 | 0.5561                         | 0.2587                         |
|                  |                | Group 2              | 0.4154           | 0.1407            | 0.5561                         | 0.2587                         |
|                  | Second interim | Group 1              | 0.2146           | -                 | 0.2146                         | 0.1390                         |
|                  |                | Group 2              | 0.1551           | 0.0595            | 0.2146                         | 0.1390                         |
|                  | Third interim  | Group 1              | 0.6873           | -                 | 0.6873                         | 0.2845                         |
|                  |                | Group 2              | 0.2660           | 0.4213            | 0.6873                         | 0.2845                         |
|                  | Final          | Group 1              | 0.4954           | -                 | 0.4954                         | 0.2024                         |
|                  |                | Group 2              | 0.4230           | 0.0724            | 0.4954                         | 0.2024                         |
| B Accumulation** | First interim  | Group 1              | n/a              | n/a               | n/a                            | n/a                            |
|                  |                | Group 2              | n/a              | n/a               | n/a                            | n/a                            |
|                  | Second interim | Group 1              | n/a              | n/a               | n/a                            | n/a                            |
|                  |                | Group 2              | n/a              | n/a               | n/a                            | n/a                            |
|                  | Third interim  | Group 1              | n/a              | n/a               | n/a                            | n/a                            |
|                  |                | Group 2              | n/a              | n/a               | n/a                            | n/a                            |
|                  | Final          | Group 1              | 0.3246           | -                 | 0.3246                         | n/a                            |
|                  |                | Group 2 <sup>^</sup> | 0.3246           | -                 | 0.3246                         | n/a                            |

\*Launched on 9 May 2023 and was dis-invested on 8 August 2023

\*\*Launched on 17 April 2024

<sup>^</sup>No group 2 shares held in this distribution period.

# MI Quilter Cheviot Diversified Returns Fund

## Distribution Tables

continued

|                        |                     |
|------------------------|---------------------|
| First interim period:  | 01.05.23 - 31.07.23 |
| Second interim period: | 01.08.23 - 31.10.23 |
| Third interim period:  | 01.11.23 - 31.01.24 |
| Final period:          | 01.02.24 - 30.04.24 |

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

### Equalisation

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

## Investment Objective and Policy

for the year ended 30 April 2024

### Investment Objective

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

### Investment Policy

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

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

The Sub-fund will typically invest at least 80% of the portfolio directly but at times, dependent on market conditions and the Investment Manager's view of the market, the direct exposure may be higher or lower than this but it is not expected to ever fall below 60%. These are companies that are domiciled, incorporated or have a significant portion of their business in developed markets in Europe excluding the UK, even if listed elsewhere.

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

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

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

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

## Investment Manager's Report

for the year ended 30 April 2024

### Market Commentary

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

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

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

While the large weighting to commodity and financials companies within the index was a key factor for the UK's outperformance of other regions in April, there has also recently been a growing trend of corporate activity in listed UK companies, prompted by the relatively inexpensive nature of the UK stock market and the discount on which many quality companies are trading versus their peers. This certainly prompts mixed feelings. While it can create opportunity for active managers and the possibility for sharp (and short-term) uplifts on the value of holdings, in the absence of a healthy initial public offering ('IPO') market it results in a diminishing opportunity set available to investors in the UK stock market. The loss of attractive long-term investment opportunities therefore further reduces

# MI Quilter Cheviot European Equity Fund

## Investment Manager's Report

continued

the appeal of the index. In addition to outright bids, several companies have also decided to move their listing overseas, or announce that a move is under consideration, including some significant index heavyweights. As such, the dwindling nature of the UK stock market is an area very much in the spotlight, with a clear call to ensure the UK remains an attractive environment for companies to come to market.

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

### Investment Review

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

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

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

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

Throughout the period we employed an active approach to positioning the Sub-fund. As the economic outlook and prevailing market trends shifted throughout, we were dynamic in our choice of sectors and securities, balancing risk and looking for long-term prospects that usually arise during instances of market fluctuation. Early in the period, we added to our position in SAP, the global leader in business management software, for its defensive and high quality characteristics. During the third quarter of 2023 we reintroduced Adidas, a position originally sold in 2022. At the time of this sale we highlighted that although we retained conviction in the global sportswear growth opportunity, we had concerns regarding the corporate strategy at the company. Since then, the appointment of a respected new CEO, coupled with a growing interest in the Adidas' suite of products, lead us to see an exciting multi-year turnaround opportunity at the company, and the potential for sales and margins to surprise on the upside.

## Investment Manager's Report

continued

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

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

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

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

### Outlook

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

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

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

~Source: Data provided by FactSet.

# MI Quilter Cheviot European Equity Fund

## Portfolio Statement

as at 30 April 2024

| Holding   | Security                                                              | Market value<br>£ | % of total<br>net assets<br>2024 |
|-----------|-----------------------------------------------------------------------|-------------------|----------------------------------|
|           | <b>BASIC MATERIALS 2.82% (0.00%)</b>                                  |                   |                                  |
|           | <b>Chemicals 2.82% (0.00%)</b>                                        |                   |                                  |
| 12,418    | Sika                                                                  | 2,848,632         | 2.82                             |
|           | <b>TECHNOLOGY 11.67% (11.30%)</b>                                     |                   |                                  |
|           | <b>Software and Computer Services 2.89% (3.99%)</b>                   |                   |                                  |
| 20,162    | SAP                                                                   | 2,921,854         | 2.89                             |
|           | <b>Technology Hardware and Equipment 8.78% (7.31%)</b>                |                   |                                  |
| 9,545     | ASML                                                                  | 6,787,465         | 6.71                             |
| 75,225    | Infineon Technologies                                                 | 2,091,011         | 2.07                             |
|           |                                                                       | 8,878,476         | 8.78                             |
|           | <b>TELECOMMUNICATIONS 3.68% (3.80%)</b>                               |                   |                                  |
|           | <b>Telecommunications Service Providers 3.68% (3.80%)</b>             |                   |                                  |
| 73,301    | Cellnex Telecom                                                       | 1,943,634         | 1.92                             |
| 96,877    | Deutsche Telekom                                                      | 1,777,871         | 1.76                             |
|           |                                                                       | 3,721,505         | 3.68                             |
|           | <b>HEALTHCARE 17.62% (17.19%)</b>                                     |                   |                                  |
|           | <b>Medical Equipment and Services 1.97% (2.00%)</b>                   |                   |                                  |
| 44,911    | Siemens Healthineers                                                  | 1,991,272         | 1.97                             |
|           | <b>Pharmaceuticals and Biotechnology 15.65% (15.19%)</b>              |                   |                                  |
| 51,901    | Novartis                                                              | 4,026,646         | 3.98                             |
| 48,836    | Novo Nordisk                                                          | 5,047,276         | 4.99                             |
| 19,678    | Roche                                                                 | 3,781,989         | 3.74                             |
| 37,509    | Sanofi                                                                | 2,979,899         | 2.94                             |
|           |                                                                       | 15,835,810        | 15.65                            |
|           | <b>FINANCIALS 21.48% (21.47%)</b>                                     |                   |                                  |
|           | <b>Banks 8.03% (6.81%)</b>                                            |                   |                                  |
| 52,361    | BNP Paribas                                                           | 3,022,719         | 2.99                             |
| 260,521   | ING Groep                                                             | 3,292,665         | 3.25                             |
| 194,780   | Nordea Bank                                                           | 1,816,206         | 1.79                             |
|           |                                                                       | 8,131,590         | 8.03                             |
|           | <b>Investment Banking and Brokerage Services 4.66% (4.62%)</b>        |                   |                                  |
| 33,655    | Amundi                                                                | 1,886,807         | 1.86                             |
| 26,638    | Euronext                                                              | 1,923,350         | 1.90                             |
| 877       | Partners Group                                                        | 908,862           | 0.90                             |
|           |                                                                       | 4,719,019         | 4.66                             |
|           | <b>Open-Ended and Miscellaneous Investment Vehicles 3.03% (4.53%)</b> |                   |                                  |
| 1,637,187 | JP Morgan Europe Smaller Companies - C Net Income*                    | 1,971,173         | 1.95                             |
| 32,306    | Vanguard FTSE Developed Europe ex UK UCITS ETF - GBP Distributing*    | 1,092,750         | 1.08                             |
|           |                                                                       | 3,063,923         | 3.03                             |
|           | <b>Non-life Insurance 5.76% (5.51%)</b>                               |                   |                                  |
| 13,248    | Allianz                                                               | 3,010,498         | 2.98                             |
| 86,917    | Sampo Oyj                                                             | 2,811,628         | 2.78                             |
|           |                                                                       | 5,822,126         | 5.76                             |



## Portfolio Statement

continued

| Holding | Security                                                 | Market value<br>£ | % of total<br>net assets<br>2024 |
|---------|----------------------------------------------------------|-------------------|----------------------------------|
|         | <b>REAL ESTATE 1.00% (2.00%)</b>                         |                   |                                  |
|         | <b>Real Estate 1.00% (2.00%)</b>                         |                   |                                  |
| 12,315  | Gecina                                                   | 1,008,547         | 1.00                             |
|         | <b>CONSUMER DISCRETIONARY 9.80% (8.29%)</b>              |                   |                                  |
|         | <b>Automobiles and Parts 1.84% (1.66%)</b>               |                   |                                  |
| 104,299 | Stellantis                                               | 1,859,746         | 1.84                             |
|         | <b>Personal Goods 7.96% (6.63%)</b>                      |                   |                                  |
| 12,231  | Adidas                                                   | 2,354,285         | 2.33                             |
| 16,906  | Compagnie Financière Richemont                           | 1,883,845         | 1.86                             |
| 5,771   | LVMH Moët Hennessy Louis Vuitton                         | 3,816,449         | 3.77                             |
|         |                                                          | 8,054,579         | 7.96                             |
|         | <b>CONSUMER STAPLES 7.52% (10.38%)</b>                   |                   |                                  |
|         | <b>Beverages 1.87% (2.82%)</b>                           |                   |                                  |
| 15,619  | Pernod Ricard                                            | 1,893,354         | 1.87                             |
|         | <b>Food Producers 5.65% (7.56%)</b>                      |                   |                                  |
| 27,453  | Kerry                                                    | 1,894,280         | 1.87                             |
| 47,622  | Nestlé                                                   | 3,825,360         | 3.78                             |
|         |                                                          | 5,719,640         | 5.65                             |
|         | <b>INDUSTRIALS 16.62% (17.01%)</b>                       |                   |                                  |
|         | <b>Construction and Materials 0.00% (1.90%)</b>          |                   |                                  |
|         | <b>Aerospace and Defense 1.94% (1.86%)</b>               |                   |                                  |
| 14,885  | Airbus                                                   | 1,966,193         | 1.94                             |
|         | <b>Electronic and Electrical Equipment 5.24% (5.59%)</b> |                   |                                  |
| 69,389  | Alstom                                                   | 881,436           | 0.87                             |
| 24,095  | Schneider Electric                                       | 4,424,961         | 4.37                             |
|         |                                                          | 5,306,397         | 5.24                             |
|         | <b>General Industrials 3.89% (3.98%)</b>                 |                   |                                  |
| 26,245  | Siemens                                                  | 3,937,871         | 3.89                             |
|         | <b>Industrial Engineering 3.76% (3.68%)</b>              |                   |                                  |
| 119,591 | Epiroc                                                   | 1,797,394         | 1.78                             |
| 10,018  | Schindler                                                | 2,007,440         | 1.98                             |
|         |                                                          | 3,804,834         | 3.76                             |
|         | <b>Industrial Transportation 1.79% (0.00%)</b>           |                   |                                  |
| 15,891  | DSV                                                      | 1,815,584         | 1.79                             |
|         | <b>ENERGY 3.88% (3.97%)</b>                              |                   |                                  |
|         | <b>Oil, Gas and Coal 3.88% (3.97%)</b>                   |                   |                                  |
| 67,106  | TotalEnergies                                            | 3,930,658         | 3.88                             |

# MI Quilter Cheviot European Equity Fund

## Portfolio Statement

continued

| Holding                  | Security                         | Market value<br>£  | % of total<br>net assets<br>2024 |
|--------------------------|----------------------------------|--------------------|----------------------------------|
|                          | <b>UTILITIES 1.86% (1.84%)</b>   |                    |                                  |
|                          | <b>Electricity 1.86% (1.84%)</b> |                    |                                  |
| 171,373                  | EDP Renováveis                   | 1,879,103          | 1.86                             |
| <b>Investment assets</b> |                                  | <b>99,110,713</b>  | <b>97.95</b>                     |
| <b>Net other assets</b>  |                                  | <b>2,078,307</b>   | <b>2.05</b>                      |
| <b>Net assets</b>        |                                  | <b>101,189,020</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 30.04.23.

\*Collective Investment Schemes permitted under COLL, not listed on any exchange.

## Comparative Tables

### Change in net assets per share

| A Income~                                      | 30.04.24<br>p | 30.04.23<br>p | 30.04.22<br>p       |
|------------------------------------------------|---------------|---------------|---------------------|
| <b>Opening net asset value per share</b>       | 101.75        | 91.82         | 100.00 <sup>†</sup> |
| Return before operating charges <sup>^</sup>   | 7.61          | 12.55         | -7.12               |
| Operating charges                              | -0.19         | -0.19         | -0.11               |
| Return after operating charges <sup>^</sup>    | 7.42          | 12.36         | -7.23 <sup>^^</sup> |
| Distributions                                  | -2.58         | -2.43         | -0.95               |
| <b>Closing net asset value per share</b>       | <b>106.59</b> | <b>101.75</b> | <b>91.82</b>        |
| <sup>^</sup> After direct transaction costs of | 0.00          | -0.05         | -0.25               |
| <b>Performance</b>                             |               |               |                     |
| Return after charges                           | 7.30%         | 13.46%        | -7.23%              |
| <b>Other information</b>                       |               |               |                     |
| Closing net asset value                        | £74,640,865   | £57,951,067   | £67,297,786         |
| Closing number of shares                       | 70,025,114    | 56,954,448    | 73,291,903          |
| Operating charges                              | 0.19%         | 0.22%         | 0.11%               |
| Ongoing operating charges*                     | 0.19%         | 0.19%         | 0.21%               |
| Direct transaction costs                       | 0.07%         | 0.06%         | 0.25%               |
| <b>Prices</b>                                  |               |               |                     |
| Highest share price                            | 109.85        | 91.21         | 108.77              |
| Lowest share price                             | 92.83         | 79.82         | 84.30               |

| A Accumulation~~                               | 30.04.24<br>p | 30.04.23<br>p | 30.04.22<br>p       |
|------------------------------------------------|---------------|---------------|---------------------|
| <b>Opening net asset value per share</b>       | 99.76         | 87.78         | 100.00 <sup>†</sup> |
| Return before operating charges <sup>^</sup>   | 7.59          | 12.18         | -12.12              |
| Operating charges                              | -0.19         | -0.20         | -0.10               |
| Return after operating charges <sup>^</sup>    | 7.40          | 11.98         | -12.22              |
| Distributions                                  | -2.56         | -2.35         | -0.89               |
| Retained distributions on accumulation shares  | 2.56          | 2.35          | 0.89                |
| <b>Closing net asset value per share</b>       | <b>107.16</b> | <b>99.76</b>  | <b>87.78</b>        |
| <sup>^</sup> After direct transaction costs of | -0.07         | -0.05         | -0.23               |
| <b>Performance</b>                             |               |               |                     |
| Return after charges                           | 7.42%         | 13.65%        | -12.22%             |
| <b>Other information</b>                       |               |               |                     |
| Closing net asset value                        | £26,548,068   | £10,812,856   | £589,568            |
| Closing number of shares                       | 24,774,137    | 10,838,977    | 671,640             |
| Operating charges                              | 0.19%         | 0.22%         | 0.11%               |
| Ongoing operating charges*                     | 0.19%         | 0.19%         | 0.21%               |
| Direct transaction costs                       | 0.07%         | 0.06%         | 0.25%               |
| <b>Prices</b>                                  |               |               |                     |
| Highest share price                            | 109.06        | 104.56        | 100.76              |
| Lowest share price                             | 91.82         | 82.49         | 79.82               |

~A Income share class launched on 30 September 2021.

~~A Accumulation share class launched on 13 December 2021.

<sup>†</sup>Launch Price.

<sup>^^</sup>A Income return after charges for the period 13 December 2021 to 30 April 2022 was -12.21%.

# MI Quilter Cheviot European Equity Fund

## Comparative Tables

continued

| <b>B Income~~~</b>                             | <b>30.04.24<br/>p</b> |
|------------------------------------------------|-----------------------|
| <b>Opening net asset value per share</b>       | 100.00 <sup>†</sup>   |
| Return before operating charges <sup>^</sup>   | -2.00                 |
| Operating charges                              | -0.10                 |
| Return after operating charges <sup>^</sup>    | -2.10                 |
| Distributions                                  | -0.51                 |
| Redemption payment                             | -97.39                |
| <b>Closing net asset value per share</b>       | <b>0.00</b>           |
| <sup>^</sup> After direct transaction costs of | -0.02                 |
| <b>Performance</b>                             |                       |
| Return after charges                           | -2.10%                |
| <b>Other information</b>                       |                       |
| Closing net asset value                        | £0                    |
| Closing number of shares                       | 0                     |
| Operating charges                              | 0.39%                 |
| Ongoing operating charges*                     | 0.39%                 |
| Direct transaction costs                       | 0.07%                 |
| <b>Prices</b>                                  |                       |
| Highest share price                            | 102.21                |
| Lowest share price                             | 95.86                 |

| <b>B Accumulation~~~~</b>                      | <b>30.04.24<br/>p</b> |
|------------------------------------------------|-----------------------|
| <b>Opening net asset value per share</b>       | 100.00 <sup>†</sup>   |
| Return before operating charges <sup>^</sup>   | 0.39                  |
| Operating charges                              | -0.19                 |
| Return after operating charges <sup>^</sup>    | 0.20                  |
| Distributions                                  | -0.60                 |
| Retained distributions on accumulation shares  | 0.60                  |
| <b>Closing net asset value per share</b>       | <b>100.20</b>         |
| <sup>^</sup> After direct transaction costs of | -0.07                 |
| <b>Performance</b>                             |                       |
| Return after charges                           | 0.20%                 |
| <b>Other information</b>                       |                       |
| Closing net asset value                        | £85                   |
| Closing number of shares                       | 85                    |
| Operating charges                              | 0.19%                 |
| Ongoing operating charges*                     | 0.39%                 |
| Direct transaction costs                       | 0.07%                 |
| <b>Prices</b>                                  |                       |
| Highest share price                            | 101.94                |
| Lowest share price                             | 99.38                 |

~~~B Income share class launched 9 May 2023 and dis-invested 8 August 2023.

~~~~B Accumulation share class launched 17 April 2024.

<sup>†</sup>Launch Price.

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

\*The Net Asset Value of the Sub-fund has increased by more than 10% if compared to the average Net Asset Value for the year. Taking an average of the daily Net Asset Value for the last month of the year no overall effect on the operating charges. The Investment Manager has waived the Investment Manager's fee on the B Accumulation share class until further investment is received. This will increase the operating charges by 0.80%. The ACD believes this to be more representative of the charges going forward. The ACD believes this to be more representative of the charges going forward.

## Comparative Tables

continued

The return after charges is calculated as the closing Net Asset Value per share plus the distributions on income shares minus the opening Net Asset Value per share as a % of the opening Net Asset Value per share. The basis of valuation of investments used to calculate Net Asset Value per share is described in notes to the Financial Statements 1h) and complies with requirements of the current Statement of Recommended Practice for Financial Statements of UK Authorised Funds. This differs from the basis used to calculate daily published single prices, in which listed investments are valued at 12:00 mid prices.

Direct transaction costs include fees, commissions, transfer taxes and duties in the purchasing and selling of investments, which are offset (where applicable) against any dilution levies charged within the accounting period. The figures used within the table have been calculated against the average Net Asset Value for the accounting year.

## Risk and Reward Profile

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



The Sub-fund is ranked at 6 because funds of this type have experienced high rises and falls in value in the past. Please note that even the lowest risk class can lose you money and that extreme market circumstances can mean you suffer severe losses in all cases. These indicators do not take into account the following risks of investing in this Sub-fund:

- Investing overseas can bring additional returns and spread risk to different markets. There are risks, however, that changes in currency exchange rates may cause the value of your investment to decrease or increase.
- Investing in other funds may expose investors to increased risk due to less strict regulations and the use of derivatives. These other funds can themselves invest into assets such as bonds, company shares, cash and currencies. The objectives and risk profiles of these underlying funds may not be fully in line with those of this Sub-fund.
- In difficult market conditions, the value of some investments may be less predictable than normal and the Sub-fund may not be able to buy and sell these investments at the best time or at a fair price. This could affect the Sub-fund's performance, potentially reducing your returns.
- For further risk information please see the Prospectus.

### Risk warning

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

# MI Quilter Cheviot European Equity Fund

## Statement of Total Return

for the year ended 30 April 2024

|                                                                                     | Note | £         | 30.04.24<br>£    | £         | 30.04.23<br>£    |
|-------------------------------------------------------------------------------------|------|-----------|------------------|-----------|------------------|
| Income                                                                              |      |           |                  |           |                  |
| Net capital gains                                                                   | 2    |           | 4,808,482        |           | 6,595,009        |
| Revenue                                                                             | 3    | 2,586,335 |                  | 1,988,810 |                  |
| Expenses                                                                            | 4    | (140,909) |                  | (118,283) |                  |
| Interest payable and similar charges                                                | 4    | (55)      |                  | –         |                  |
| Net revenue before taxation                                                         |      | 2,445,371 |                  | 1,870,527 |                  |
| Taxation                                                                            | 5    | (329,378) |                  | (239,664) |                  |
| Net revenue after taxation                                                          |      |           | 2,115,993        |           | 1,630,863        |
| <b>Total return before distributions</b>                                            |      |           | <b>6,924,475</b> |           | <b>8,225,872</b> |
| Distributions                                                                       | 6    |           | (2,115,981)      |           | (1,630,892)      |
| <b>Change in net assets attributable to Shareholders from investment activities</b> |      |           | <b>4,808,494</b> |           | <b>6,594,980</b> |

## Statement of Change in Net Assets Attributable to Shareholders

for the year ended 30 April 2024

|                                                                                                                    | £            | 30.04.24<br>£      | £            | 30.04.23<br>£     |
|--------------------------------------------------------------------------------------------------------------------|--------------|--------------------|--------------|-------------------|
| <b>Opening net assets attributable to Shareholders</b>                                                             |              | <b>68,763,923</b>  |              | <b>67,887,354</b> |
| Amounts receivable on issue of shares                                                                              | 46,751,845   |                    | 22,619,068   |                   |
| Dilution levy                                                                                                      | –            |                    | 8,172        |                   |
| Less: Amounts payable on cancellation of shares                                                                    | (19,642,035) |                    | (28,502,931) |                   |
|                                                                                                                    |              | 27,109,810         |              | (5,875,691)       |
| Change in net assets attributable to Shareholders from investment activities (see Statement of Total Return above) |              | 4,808,494          |              | 6,594,980         |
| Retained distributions on accumulation shares                                                                      |              | 506,793            |              | 157,280           |
| <b>Closing net assets attributable to Shareholders</b>                                                             |              | <b>101,189,020</b> |              | <b>68,763,923</b> |

The notes on pages 92 to 98 form an integral part of these Financial Statements.

## Balance Sheet

as at 30 April 2024

|                                                | Note | 30.04.24  |                    | 30.04.23  |                   |
|------------------------------------------------|------|-----------|--------------------|-----------|-------------------|
|                                                |      | £         | £                  | £         | £                 |
| <b>ASSETS</b>                                  |      |           |                    |           |                   |
| <b>Fixed assets</b>                            |      |           |                    |           |                   |
| Investments                                    |      |           | 99,110,713         |           | 66,875,349        |
| <b>Current assets</b>                          |      |           |                    |           |                   |
| Debtors                                        | 7    | 1,894,124 |                    | 1,033,596 |                   |
| Cash and bank balances                         | 9    | 1,427,113 |                    | 1,827,652 |                   |
| <b>Total current assets</b>                    |      |           | <b>3,321,237</b>   |           | <b>2,861,248</b>  |
| <b>Total assets</b>                            |      |           | <b>102,431,950</b> |           | <b>69,736,597</b> |
| <b>LIABILITIES</b>                             |      |           |                    |           |                   |
| <b>Creditors</b>                               |      |           |                    |           |                   |
| Bank overdrafts                                | 9    | (55,524)  |                    | (23,256)  |                   |
| Distribution payable                           |      | (940,438) |                    | (651,616) |                   |
| Other creditors                                | 8    | (246,968) |                    | (297,802) |                   |
| <b>Total creditors</b>                         |      |           | <b>(1,242,930)</b> |           | <b>(972,674)</b>  |
| <b>Total liabilities</b>                       |      |           | <b>(1,242,930)</b> |           | <b>(972,674)</b>  |
| <b>Net assets attributable to Shareholders</b> |      |           | <b>101,189,020</b> |           | <b>68,763,923</b> |

The notes on pages 92 to 98 form an integral part of these Financial Statements.

# MI Quilter Cheviot European Equity Fund

## Notes to the Financial Statements

for the year ended 30 April 2024

### 1. Accounting Policies

The Sub-fund's Financial Statements have been prepared on the same basis as the Accounting Policies stated on pages 8 and 9.

### 2. Net Capital Gains<sup>^</sup>

|                           | Realised<br>£  | 30.04.24<br>Unrealised<br>£ | Total<br>£       |
|---------------------------|----------------|-----------------------------|------------------|
| Non-derivative securities | 400,485        | 4,449,857                   | 4,850,342        |
| Currency losses           | (32,138)       | –                           | (32,138)         |
| Transaction charges       | (9,722)        | –                           | (9,722)          |
| <b>Net capital gains</b>  | <b>358,625</b> | <b>4,449,857</b>            | <b>4,808,482</b> |

|                           | Realised<br>£      | 30.04.23<br>Unrealised<br>£ | Total<br>£       |
|---------------------------|--------------------|-----------------------------|------------------|
| Non-derivative securities | (4,164,461)        | 10,778,475                  | 6,614,014        |
| Currency losses           | (6,188)            | –                           | (6,188)          |
| Transaction charges       | (12,817)           | –                           | (12,817)         |
| <b>Net capital gains</b>  | <b>(4,183,466)</b> | <b>10,778,475</b>           | <b>6,595,009</b> |

<sup>^</sup>Where realised gains/losses include gains/losses arising in prior years, a corresponding loss/gain is included within the unrealised gains/loss presented.

### 3. Revenue

|                                                             | 30.04.24<br>£    | 30.04.23<br>£    |
|-------------------------------------------------------------|------------------|------------------|
| Overseas dividends                                          | 2,437,980        | 1,916,037        |
| Distributions from Regulated Collective Investment Schemes: |                  |                  |
| Franked investment income                                   | 22,500           | 18,571           |
| Offshore distributions                                      | 78,031           | 44,858           |
| Bank interest                                               | 47,824           | 9,344            |
| <b>Total revenue</b>                                        | <b>2,586,335</b> | <b>1,988,810</b> |

### 4. Expenses

|                                                                                                           | 30.04.24<br>£ | 30.04.23<br>£ |
|-----------------------------------------------------------------------------------------------------------|---------------|---------------|
| Payable to the Authorised Corporate Director ('ACD'), associates of the ACD and agents of either of them: |               |               |
| ACD's fee                                                                                                 | 19,012        | 14,694        |
| Administration fees                                                                                       | 27,082        | 20,593        |
| Registration fees                                                                                         | 54,263        | 44,595        |
|                                                                                                           | 100,357       | 79,882        |
| Payable to the Investment Adviser, associates of the Investment Adviser and agents of either of them:     |               |               |
| Investment Manager's fee                                                                                  | 18            | –             |



## Notes to the Financial Statements

continued

| <b>4. Expenses (continued)</b>                                                        | <b>30.04.24</b>      | <b>30.04.23</b>      |
|---------------------------------------------------------------------------------------|----------------------|----------------------|
|                                                                                       | <b>£</b>             | <b>£</b>             |
| Payable to the Depositary, associates of the Depositary and agents of either of them: |                      |                      |
| Depositary's fee (including VAT)                                                      | 7,356                | 6,147                |
| Safe custody and other bank charges                                                   | 13,610               | 9,658                |
|                                                                                       | <hr/> 20,966         | <hr/> 15,805         |
| Auditor's remuneration*:                                                              |                      |                      |
| Audit fee                                                                             | 10,870               | 10,065               |
| Tax Compliance services                                                               | 2,349                | 2,163                |
|                                                                                       | <hr/> 13,219         | <hr/> 12,228         |
| Other expenses:                                                                       |                      |                      |
| Legal fees                                                                            | 4,497                | 10,406               |
| Printing costs                                                                        | 1,852                | (38)                 |
|                                                                                       | <hr/> 6,349          | <hr/> 10,368         |
| <b>Expenses</b>                                                                       | <hr/> <b>140,909</b> | <hr/> <b>118,283</b> |
| Interest payable and similar charges                                                  | 55                   | –                    |
| <b>Total</b>                                                                          | <hr/> <b>140,964</b> | <hr/> <b>118,283</b> |

\*Included within the auditor's remuneration is irrecoverable VAT of £2,203 (2023: £2,038).

| <b>5. Taxation</b>                                  | <b>30.04.24</b>      | <b>30.04.23</b>      |
|-----------------------------------------------------|----------------------|----------------------|
|                                                     | <b>£</b>             | <b>£</b>             |
| (a) Analysis of charge in the year:                 |                      |                      |
| Overseas tax                                        | 329,378              | 239,664              |
| <b>Total tax charge (note 5b)</b>                   | <hr/> <b>329,378</b> | <hr/> <b>239,664</b> |
| (b) Factors affecting taxation charge for the year: |                      |                      |
| Net revenue before taxation                         | 2,445,371            | 1,870,527            |
| Corporation tax at 20%                              | 489,074              | 374,105              |
| Effects of:                                         |                      |                      |
| UK dividends                                        | (4,500)              | (3,714)              |
| Movement in surplus management expenses             | 18,628               | 21,788               |
| Overseas tax expensed                               | 329,378              | 239,664              |
| Non-taxable overseas earnings                       | (503,202)            | (392,179)            |
| <b>Total tax charge (note 5a)</b>                   | <hr/> <b>329,378</b> | <hr/> <b>239,664</b> |

At the year end there is a potential deferred tax asset of £52,482 (2023: £33,854) in relation to surplus management expenses of £262,410 (2023: £169,270). It is unlikely that the Sub-fund will generate sufficient taxable profits in the future to utilise these expenses and therefore no deferred tax asset has been recognised in the year.

# MI Quilter Cheviot European Equity Fund

## Notes to the Financial Statements

continued

### 6. Distributions

The distributions take account of revenue received on the issue of shares and revenue deducted on the cancellation of shares, and comprise:

|                                                                           |          | <b>30.04.24</b>        | <b>30.04.23</b>        |
|---------------------------------------------------------------------------|----------|------------------------|------------------------|
|                                                                           |          | <b>£</b>               | <b>£</b>               |
| First interim distribution                                                | 31.07.23 | 643,107                | 586,788                |
| Second Interim distribution                                               | 31.10.23 | 202,577                | 60,422                 |
| Third Interim distribution                                                | 31.01.24 | 83,487                 | 126,559                |
| Final distribution                                                        | 30.04.24 | 1,273,229              | 771,950                |
|                                                                           |          | <hr/> 2,202,400        | <hr/> 1,545,719        |
| Revenue deducted on cancellation of shares                                |          | 61,563                 | 190,572                |
| Revenue received on issue of shares                                       |          | (147,982)              | (105,399)              |
| <b>Distributions</b>                                                      |          | <hr/> <b>2,115,981</b> | <hr/> <b>1,630,892</b> |
| <b>Reconciliation of net revenue after taxation to net distributions:</b> |          |                        |                        |
| Net revenue after taxation per Statement of Total Return                  |          | 2,115,993              | 1,630,863              |
| Undistributed revenue brought forward                                     |          | 9                      | 38                     |
| Undistributed revenue carried forward                                     |          | (21)                   | (9)                    |
| <b>Distributions</b>                                                      |          | <hr/> <b>2,115,981</b> | <hr/> <b>1,630,892</b> |

### 7. Debtors

|                              |  | <b>30.04.24</b>        | <b>30.04.23</b>        |
|------------------------------|--|------------------------|------------------------|
|                              |  | <b>£</b>               | <b>£</b>               |
| Amounts receivable on issues |  | 824,736                | 456,633                |
| Accrued income:              |  |                        |                        |
| Dividends receivable         |  | 384,902                | 196,554                |
| Overseas tax recoverable     |  | 682,204                | 378,775                |
| Prepaid expenses:            |  |                        |                        |
| Legal fees                   |  | 2,282                  | 1,634                  |
| <b>Total debtors</b>         |  | <hr/> <b>1,894,124</b> | <hr/> <b>1,033,596</b> |

### 8. Other Creditors

|                                                                                                                   |  | <b>30.04.24</b> | <b>30.04.23</b> |
|-------------------------------------------------------------------------------------------------------------------|--|-----------------|-----------------|
|                                                                                                                   |  | <b>£</b>        | <b>£</b>        |
| Amounts payable on cancellations                                                                                  |  | 216,399         | 272,655         |
| Accrued expenses:                                                                                                 |  |                 |                 |
| Amounts payable to the Authorised Corporate Director ('ACD'), associates of the ACD and agents of either of them: |  |                 |                 |
| ACD's fee                                                                                                         |  | 1,892           | 1,407           |
| Administration fee                                                                                                |  | 2,718           | 1,991           |
| Registration fees                                                                                                 |  | 5,728           | 3,858           |
|                                                                                                                   |  | <hr/> 10,338    | <hr/> 7,256     |

## Notes to the Financial Statements

continued

### 8. Other Creditors (continued)

|                                                                                               | 30.04.24<br>£  | 30.04.23<br>£  |
|-----------------------------------------------------------------------------------------------|----------------|----------------|
| Amounts payable to the Depositary, associates of the Depositary and agents of either of them: |                |                |
| Depositary's fee (including VAT)                                                              | 2,046          | 1,105          |
| Safe custody and other bank charges                                                           | 4,042          | 1,788          |
|                                                                                               | 6,088          | 2,893          |
| Other expenses:                                                                               |                |                |
| Auditor's remuneration*:                                                                      |                |                |
| Audit fee                                                                                     | 10,870         | 10,065         |
| Tax compliance services                                                                       | 2,349          | 4,140          |
|                                                                                               | 13,219         | 14,205         |
| Other accrued expenses:                                                                       |                |                |
| Printing costs                                                                                | 924            | 793            |
|                                                                                               | 924            | 793            |
| <b>Total other creditors</b>                                                                  | <b>246,968</b> | <b>297,802</b> |

\*Included within the auditor's remuneration is irrecoverable VAT of £2,203 (2023: £2,368).

### 9. Cash and Bank Balances

|                               | 30.04.24<br>£    | 30.04.23<br>£    |
|-------------------------------|------------------|------------------|
| Cash and bank balances        | 1,427,113        | 1,827,652        |
| Overdraft positions           | (55,524)         | (23,256)         |
| <b>Cash and bank balances</b> | <b>1,371,589</b> | <b>1,804,396</b> |

### 10. Related Party Transactions

Apex Fundrock Limited ('AFL') is regarded as a related party by virtue of having the ability to act in respect of the operations of the Sub-fund in its capacity as the Authorised Corporate Director ('ACD').

ACD and other fees payable to AFL are disclosed in note 4 and amounts due at the year end are shown in note 8.

Fees payable to Quilter Cheviot Limited (the 'Investment Manager') are disclosed in note 4 and amounts due at the year end are shown in note 8.

Amounts receivable on issue and payable on cancellation of shares and dilution levy are disclosed in the Statement of Change in Net Assets Attributable to Shareholders and in note 6, amounts due at the year end are shown in notes 7 and 8.

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

### 11. Contingent Liabilities and Outstanding Commitments

There were no contingent liabilities or outstanding commitments at the balance sheet date (2023: none).

# MI Quilter Cheviot European Equity Fund

## Notes to the Financial Statements

continued

### 12. Risk Management Policies and Disclosures

The main risks arising from financial instruments and the ACD's policies for managing these risks are disclosed in note 2 on pages 9 to 11.

Numerical disclosures relating to the Sub-fund are as follows:

#### Disclosure of VaR limit

|                    | 30.04.24<br>% of VaR | Utilisation of<br>VaR (*) 20% | 30.04.23<br>% of VaR | Utilisation of<br>VaR (*) 20% |
|--------------------|----------------------|-------------------------------|----------------------|-------------------------------|
| VaR at period end: | 10.64                | 53.20                         | 13.25                | 66.25                         |
| Minimum VaR:       | 10.32                | 51.60                         | 9.69                 | 48.45                         |
| Maximum VaR:       | 14.14                | 70.70                         | 13.96                | 69.80                         |
| Average VaR:       | 13.17                | 65.85                         | 13.09                | 65.45                         |

\*The VaR on the Sub-fund has been divided by its maximum limit.

#### Currency risk

The table below details the currency risk profile at the balance sheet date:

|                | 30.04.24<br>Total<br>£ | 30.04.23<br>Total<br>£ |
|----------------|------------------------|------------------------|
| Euro           | 69,094,738             | 47,404,348             |
| Danish krone   | 6,874,671              | 2,203,008              |
| Pound sterling | 2,103,951              | 3,246,761              |
| Swedish krona  | 3,613,600              | 2,413,914              |
| Swiss franc    | 19,502,060             | 13,495,892             |
|                | <b>101,189,020</b>     | <b>68,763,923</b>      |

At the balance sheet date, if the value of sterling increased or decreased by 10%, with all other variables held constant, then the net assets attributable to Shareholders would increase or decrease by approximately £9,908,507 (2023: £6,551,716).

## Notes to the Financial Statements

continued

### 13. Portfolio Transaction Costs

30.04.24

| Analysis of purchases                            | Total purchase cost | Commissions paid |      | Taxes  |      | Purchases before transaction cost |
|--------------------------------------------------|---------------------|------------------|------|--------|------|-----------------------------------|
|                                                  | £                   | £                | %    | £      | %    | £                                 |
| Equities                                         | 42,865,903          | 16,817           | 0.04 | 34,388 | 0.08 | 42,814,698                        |
| Funds                                            | 654,404             | –                | 0.00 | –      | 0.00 | 654,404                           |
| <b>Total purchases after commissions and tax</b> | <b>43,520,307</b>   |                  |      |        |      |                                   |

| Analysis of sales                            | Net sale proceeds | Commissions paid |      | Taxes |      | Sales before transaction cost |
|----------------------------------------------|-------------------|------------------|------|-------|------|-------------------------------|
|                                              | £                 | £                | %    | £     | %    | £                             |
| Equities                                     | 16,059,899        | 2,563            | 0.02 | –     | 0.00 | 16,062,462                    |
| <b>Total sales after commissions and tax</b> | <b>16,059,899</b> |                  |      |       |      |                               |
| Commission as a % of average net assets      | 0.02%             |                  |      |       |      |                               |
| Taxes as a % of the average net assets       | 0.04%             |                  |      |       |      |                               |

30.04.23

| Analysis of purchases                            | Total purchase cost | Commissions paid |      | Taxes  |      | Purchases before transaction cost |
|--------------------------------------------------|---------------------|------------------|------|--------|------|-----------------------------------|
|                                                  | £                   | £                | %    | £      | %    | £                                 |
| Equities                                         | 20,463,227          | 10,162           | 0.05 | 21,432 | 0.10 | 20,431,633                        |
| Funds                                            | 3,072,067           | –                | 0.00 | –      | 0.00 | 3,072,067                         |
| <b>Total purchases after commissions and tax</b> | <b>23,535,294</b>   |                  |      |        |      |                                   |

| Analysis of sales                            | Net sale proceeds | Commissions paid |      | Taxes |      | Sales before transaction cost |
|----------------------------------------------|-------------------|------------------|------|-------|------|-------------------------------|
|                                              | £                 | £                | %    | £     | %    | £                             |
| Equities                                     | 25,843,073        | 12,048           | 0.05 | –     | 0.00 | 25,855,121                    |
| Funds                                        | 2,944,706         | –                | 0.00 | –     | 0.00 | 2,944,706                     |
| <b>Total sales after commissions and tax</b> | <b>28,787,779</b> |                  |      |       |      |                               |
| Commission as a % of average net assets      | 0.04%             |                  |      |       |      |                               |
| Taxes as a % of the average net assets       | 0.04%             |                  |      |       |      |                               |

Commissions and taxes as a % of the average net assets form part of the direct transaction costs stated within the comparative tables on pages 87 to 89. The direct transaction costs within the comparative tables may differ due to the effect of dilution levies charged (where applicable).

### 14. Portfolio Dealing Spread

The average portfolio dealing spread at 30 April 2024 is 0.14% (2023: 0.05%).

# MI Quilter Cheviot European Equity Fund

## Notes to the Financial Statements

continued

### 15. Post Balance Sheet Events

There were no notifiable events post the year end balance sheet date.

### 16. Fair Value Disclosure

| Valuation technique    | 30.04.24          |             | 30.04.23          |             |
|------------------------|-------------------|-------------|-------------------|-------------|
|                        | Assets            | Liabilities | Assets            | Liabilities |
|                        | £                 | £           | £                 | £           |
| Level 1 <sup>^</sup>   | 97,139,540        | –           | 65,708,582        | –           |
| Level 2 <sup>^^</sup>  | 1,971,173         | –           | 1,166,767         | –           |
| Level 3 <sup>^^^</sup> | –                 | –           | –                 | –           |
|                        | <b>99,110,713</b> | <b>–</b>    | <b>66,875,349</b> | <b>–</b>    |

<sup>^</sup>Level 1: Unadjusted quoted price in an active market for an identical instrument.

<sup>^^</sup>Level 2: Valuation techniques using observable inputs other than quoted prices within level 1.

<sup>^^^</sup>Level 3: Valuation techniques using unobservable inputs.

### 17. Shares in Issue

|                                 | A                 | A                 | B        | B            |
|---------------------------------|-------------------|-------------------|----------|--------------|
|                                 | Income            | Accumulation      | Income   | Accumulation |
|                                 | GBP               | GBP               | GBP      | GBP          |
| Opening number of shares        | 56,954,448        | 10,838,977        | –        | –            |
| Shares issued                   | 28,847,733        | 17,333,584        | 8,617    | 85           |
| Shares cancelled                | (15,777,067)      | (3,398,424)       | (8,617)  | –            |
| <b>Closing number of Shares</b> | <b>70,025,114</b> | <b>24,774,137</b> | <b>–</b> | <b>85</b>    |

# MI Quilter Cheviot European Equity Fund

## Distribution Tables

for the year ended 30 April 2024

### Income share distributions

| Share class | Distribution   | Shares               | Net revenue<br>p | Equalisation<br>p | Distribution paid/payable<br>2024<br>p | Distribution paid<br>2023<br>p |
|-------------|----------------|----------------------|------------------|-------------------|----------------------------------------|--------------------------------|
| A Income    | First interim  | Group 1              | 0.8896           | -                 | 0.8896                                 | 0.9902                         |
|             |                | Group 2              | 0.1686           | 0.7210            | 0.8896                                 | 0.9902                         |
|             | Second Interim | Group 1              | 0.2529           | -                 | 0.2529                                 | 0.0970                         |
|             |                | Group 2              | 0.1114           | 0.1415            | 0.2529                                 | 0.0970                         |
|             | Third Interim  | Group 1              | 0.0978           | -                 | 0.0978                                 | 0.2027                         |
|             |                | Group 2              | 0.0343           | 0.0635            | 0.0978                                 | 0.2027                         |
|             | Final          | Group 1              | 1.3430           | -                 | 1.3430                                 | 1.1441                         |
|             |                | Group 2              | 0.9269           | 0.4161            | 1.3430                                 | 1.1441                         |
| B Income*   | First interim  | Group 1              | 0.5077           | -                 | 0.5077                                 | n/a                            |
|             |                | Group 2 <sup>^</sup> | 0.5077           | -                 | 0.5077                                 | n/a                            |
|             | Second Interim | Group 1              | n/a              | n/a               | n/a                                    | n/a                            |
|             |                | Group 2              | n/a              | n/a               | n/a                                    | n/a                            |
|             | Third Interim  | Group 1              | n/a              | n/a               | n/a                                    | n/a                            |
|             |                | Group 2              | n/a              | n/a               | n/a                                    | n/a                            |
|             | Final          | Group 1              | n/a              | n/a               | n/a                                    | n/a                            |
|             |                | Group 2              | n/a              | n/a               | n/a                                    | n/a                            |

### Accumulation share distributions

| Share class      | Distribution   | Shares               | Net revenue<br>p | Equalisation<br>p | Amount reinvested<br>2024<br>p | Amount reinvested<br>2023<br>p |
|------------------|----------------|----------------------|------------------|-------------------|--------------------------------|--------------------------------|
| A Accumulation   | First interim  | Group 1              | 0.8720           | -                 | 0.8720                         | 0.9443                         |
|                  |                | Group 2              | 0.1900           | 0.6820            | 0.8720                         | 0.9443                         |
|                  | Second Interim | Group 1              | 0.2501           | -                 | 0.2501                         | 0.0951                         |
|                  |                | Group 2              | 0.1047           | 0.1454            | 0.2501                         | 0.0951                         |
|                  | Third Interim  | Group 1              | 0.0965           | -                 | 0.0965                         | 0.1956                         |
|                  |                | Group 2              | 0.0158           | 0.0807            | 0.0965                         | 0.1956                         |
|                  | Final          | Group 1              | 1.3433           | -                 | 1.3433                         | 1.1102                         |
|                  |                | Group 2              | 1.0118           | 0.3315            | 1.3433                         | 1.1102                         |
| B Accumulation** | First interim  | Group 1              | n/a              | n/a               | n/a                            | n/a                            |
|                  |                | Group 2              | n/a              | n/a               | n/a                            | n/a                            |
|                  | Second Interim | Group 1              | n/a              | n/a               | n/a                            | n/a                            |
|                  |                | Group 2              | n/a              | n/a               | n/a                            | n/a                            |
|                  | Third Interim  | Group 1              | n/a              | n/a               | n/a                            | n/a                            |
|                  |                | Group 2              | n/a              | n/a               | n/a                            | n/a                            |
|                  | Final          | Group 1              | 0.5998           | -                 | 0.5998                         | n/a                            |
|                  |                | Group 2 <sup>^</sup> | 0.5998           | -                 | 0.5998                         | n/a                            |

\*Launched on 9 May 2023 and was dis-invested on 8 August 2023

\*\* Launched on 17 April 2024

<sup>^</sup>No group 2 shares held in this distribution period.

# MI Quilter Cheviot European Equity Fund

## Distribution Tables

continued

|                        |                     |
|------------------------|---------------------|
| First interim period:  | 01.05.23 - 31.07.23 |
| Second interim period: | 01.08.23 - 31.10.23 |
| Third interim period:  | 01.11.23 - 31.01.24 |
| Final period:          | 01.02.24 - 30.04.24 |

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

### Equalisation

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



## Investment Objective and Policy

for the year ended 30 April 2024

### Investment Objective

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

### Investment Policy

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

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

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

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

## Investment Manager's Report

for the year ended 30 April 2024

### Market Commentary

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

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

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

### Investment Review

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

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

# MI Quilter Cheviot Fixed Interest Fund

## Investment Manager's Report

continued

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

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

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

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

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

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

### Outlook

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

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

~Source: Data provided by FactSet.

## Portfolio Statement

as at 30 April 2024

| Holding                                                                      | Security                                                                 | Market value<br>£  | % of total<br>net assets<br>2024 |
|------------------------------------------------------------------------------|--------------------------------------------------------------------------|--------------------|----------------------------------|
| <b>FINANCIALS 49.83% (48.82%)</b>                                            |                                                                          |                    |                                  |
| <b>Open-Ended and Miscellaneous Investment Vehicles 49.83% (48.82%)</b>      |                                                                          |                    |                                  |
| 23,362,502                                                                   | Federated Hermes Unconstrained Credit - M3 GBP Distribution*             | 19,867,472         | 7.39                             |
| 43,802,048                                                                   | Royal London Sterling Credit - Z Income*                                 | 52,387,249         | 19.50                            |
| 452,253                                                                      | Vanguard UK Investment Grade Bond - Institutional Plus GBP Distribution* | 41,503,236         | 15.45                            |
| 2,104,606                                                                    | Wellington Global Credit ESG - G Q1 DisH GBP*                            | 20,120,033         | 7.49                             |
|                                                                              |                                                                          | <b>133,877,990</b> | <b>49.83</b>                     |
| <b>DEBT INSTRUMENTS 47.97% (47.46%)</b>                                      |                                                                          |                    |                                  |
| <b>Pound sterling denominated government debt securities 47.97% (47.46%)</b> |                                                                          |                    |                                  |
| £1,828,000                                                                   | European Investment Bank 0.75% 15.11.24                                  | 1,787,464          | 0.67                             |
| £17,244,443                                                                  | UK Treasury 0.125% Index-Linked 22.03.46                                 | 19,544,713         | 7.27                             |
| £14,062,574                                                                  | UK Treasury 1.25% Index-Linked 22.11.32                                  | 26,329,953         | 9.81                             |
| £14,322,427                                                                  | UK Treasury 0.875% 22.10.29                                              | 12,015,514         | 4.47                             |
| £15,890,510                                                                  | UK Treasury 1.50% 22.07.26                                               | 14,904,980         | 5.55                             |
| £15,339,179                                                                  | UK Treasury 1.50% 22.07.47                                               | 8,351,109          | 3.11                             |
| £13,141,596                                                                  | UK Treasury 1.625% 22.10.54                                              | 6,593,139          | 2.45                             |
| £13,050,511                                                                  | UK Treasury 4.50% 07.09.34                                               | 13,176,448         | 4.90                             |
| £26,886,856                                                                  | UK Treasury 4.50% 07.12.42                                               | 26,161,718         | 9.74                             |
|                                                                              |                                                                          | <b>128,865,038</b> | <b>47.97</b>                     |
| <b>Investment assets</b>                                                     |                                                                          | <b>262,743,028</b> | <b>97.80</b>                     |
| <b>Net other assets</b>                                                      |                                                                          | <b>5,919,511</b>   | <b>2.20</b>                      |
| <b>Net assets</b>                                                            |                                                                          | <b>268,662,539</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 30.04.23.

\*Collective Investment Schemes permitted under COLL, not listed on any exchange.

| Analysis of bonds by credit rating^^ | Market value<br>£  | % of total<br>net assets<br>2024 | % of total<br>net assets<br>2023 |
|--------------------------------------|--------------------|----------------------------------|----------------------------------|
| Investment grade (BBB & above)       | 128,865,038        | 47.97                            | 47.46                            |
|                                      | <b>128,865,038</b> | <b>47.97</b>                     | <b>47.46</b>                     |

^^Source: NTISL

# MI Quilter Cheviot Fixed Interest Fund

## Comparative Tables

### Change in net assets per share

| A Income~                                      | 30.04.24<br>p | 30.04.23<br>p | 30.04.22<br>p       |
|------------------------------------------------|---------------|---------------|---------------------|
| <b>Opening net asset value per share</b>       | 76.32         | 90.68         | 100.00 <sup>†</sup> |
| Return before operating charges <sup>^</sup>   | 1.89          | -11.14        | -8.12               |
| Operating charges                              | -0.19         | -0.23         | -0.26               |
| Return after operating charges <sup>^</sup>    | 1.70          | -11.37        | -8.38 <sup>^^</sup> |
| Distributions                                  | -3.24         | -2.99         | -0.94               |
| <b>Closing net asset value per share</b>       | <b>74.78</b>  | <b>76.32</b>  | <b>90.68</b>        |
| <sup>^</sup> After direct transaction costs of | 0.00          | 0.00          | 0.00                |
| <b>Performance</b>                             |               |               |                     |
| Return after charges                           | 2.23%         | -12.54%       | -8.38%              |
| <b>Other information</b>                       |               |               |                     |
| Closing net asset value                        | £202,059,642  | £139,173,755  | £112,278,105        |
| Closing number of shares                       | 270,207,061   | 182,355,661   | 123,812,710         |
| Operating charges                              | 0.25%         | 0.28%         | 0.27%               |
| Ongoing operating charges*                     | 0.24%         | 0.27%         | 0.32%               |
| Direct transaction costs                       | 0.00%         | 0.00%         | 0.00%               |
| <b>Prices</b>                                  |               |               |                     |
| Highest share price                            | 79.07         | 91.36         | 104.21              |
| Lowest share price                             | 71.66         | 70.41         | 91.28               |

| A Accumulation~~                               | 30.04.24<br>p | 30.04.23<br>p | 30.04.22<br>p       |
|------------------------------------------------|---------------|---------------|---------------------|
| <b>Opening net asset value per share</b>       | 77.10         | 88.22         | 100.00 <sup>†</sup> |
| Return before operating charges <sup>^</sup>   | 1.97          | -10.90        | -11.53              |
| Operating charges                              | -0.19         | -0.22         | -0.25               |
| Return after operating charges <sup>^</sup>    | 1.78          | -11.12        | -11.78              |
| Distributions                                  | -3.37         | -2.97         | -0.83               |
| Retained distributions on accumulation shares  | 3.37          | 2.97          | 0.83                |
| <b>Closing net asset value per share</b>       | <b>78.88</b>  | <b>77.10</b>  | <b>88.22</b>        |
| <sup>^</sup> After direct transaction costs of | 0.00          | 0.00          | 0.00                |
| <b>Performance</b>                             |               |               |                     |
| Return after charges                           | 2.31%         | -12.60%       | -11.78%             |
| <b>Other information</b>                       |               |               |                     |
| Closing net asset value                        | £66,602,812   | £23,336,312   | £763,191            |
| Closing number of shares                       | 84,433,093    | 30,269,039    | 865,058             |
| Operating charges                              | 0.25%         | 0.28%         | 0.27%               |
| Ongoing operating charges*                     | 0.24%         | 0.27%         | 0.32%               |
| Direct transaction costs                       | 0.00%         | 0.00%         | 0.00%               |
| <b>Prices</b>                                  |               |               |                     |
| Highest share price                            | 81.53         | 88.88         | 100.00              |
| Lowest share price                             | 73.09         | 69.00         | 88.28               |

~A Income share class launched on 30 September 2021.

~~A Accumulation share class launched on 13 December 2021.

<sup>†</sup>Launch Price.

<sup>^^</sup>A Income return after charges for the period 13 December 2021 to 30 April 2022 was -11.70%.

Comparative Tables

continued

| B Income~~~                                    | 30.04.24<br>p       |
|------------------------------------------------|---------------------|
| <b>Opening net asset value per share</b>       | 100.00 <sup>†</sup> |
| Return before operating charges <sup>^</sup>   | 0.76                |
| Operating charges                              | 1.03                |
| Return after operating charges <sup>^</sup>    | 1.79                |
| Redemption payment                             | -97.72              |
| Distributions                                  | -0.49               |
| <b>Closing net asset value per share</b>       | <b>0.00</b>         |
| <sup>^</sup> After direct transaction costs of | 0.00                |
| <b>Performance</b>                             |                     |
| Return after charges                           | 1.79%               |
| <b>Other information</b>                       |                     |
| Closing net asset value                        | £0                  |
| Closing number of shares                       | 0                   |
| Operating charges                              | 1.05%               |
| Ongoing operating charges*                     | 1.04%               |
| Direct transaction costs                       | 0.00%               |
| <b>Prices</b>                                  |                     |
| Highest share price                            | 100.44              |
| Lowest share price                             | 96.17               |

| B Accumulation~~~~                             | 30.04.24<br>p       |
|------------------------------------------------|---------------------|
| <b>Opening net asset value per share</b>       | 100.00 <sup>†</sup> |
| Return before operating charges <sup>^</sup>   | 0.02                |
| Operating charges                              | -0.25               |
| Return after operating charges <sup>^</sup>    | -0.23               |
| Distributions                                  | -0.22               |
| Retained distributions on accumulation shares  | 0.22                |
| <b>Closing net asset value per share</b>       | <b>99.77</b>        |
| <sup>^</sup> After direct transaction costs of | 0.00                |
| <b>Performance</b>                             |                     |
| Return after charges                           | -0.23%              |
| <b>Other information</b>                       |                     |
| Closing net asset value                        | £85                 |
| Closing number of shares                       | 85                  |
| Operating charges                              | 0.25%               |
| Ongoing operating charges*                     | 1.04%               |
| Direct transaction costs                       | 0.00%               |
| <b>Prices</b>                                  |                     |
| Highest share price                            | 100.38              |
| Lowest share price                             | 99.74               |

~~~B Income Share class launched on 9 May 2023 and dis-invested 8 August 2023.

~~~~B Accumulation share class launched on 17 April 2024.

<sup>†</sup>Launch Price.

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

\*The Net Asset Value of the Sub-fund has increased by more than 10% if compared to the average Net Asset Values for the year. Taking an average of the daily Net Asset Values for the last month of the year has the effect of decreasing the operating charges by 0.01%. The Investment Manager has waived the Investment Manager's fee on the B Accumulation share class until further investment is received. This will increase the operating charges by 0.80%. The ACD believes this to be more representative of the charges going forward.

# MI Quilter Cheviot Fixed Interest Fund

## Comparative Tables

continued

The return after charges is calculated as the closing Net Asset Value per share plus the distributions on income shares minus the opening Net Asset Value per share as a % of the opening Net Asset Value per share. The basis of valuation of investments used to calculate Net Asset Value per share is described in notes to the Financial Statements 1h) and complies with requirements of the current Statement of Recommended Practice for Financial Statements of UK Authorised Funds. This differs from the basis used to calculate daily published single prices, in which listed investments are valued at 12:00 mid prices.

Direct transaction costs include fees, commissions, transfer taxes and duties in the purchasing and selling of investments, which are offset (where applicable) against any dilution levies charged within the accounting year. The figures used within the table have been calculated against the average Net Asset Value for the accounting year.

## Risk and Reward Profile

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



The Sub-fund is ranked 4 because funds of this type have experienced average rises and falls in value in the past. Please note that even the lowest risk class can lose you money and that extreme market circumstances can mean you suffer severe losses in all cases. The indicator does not take into account the following risks of investing in this Sub-fund:

- Bond values are affected by changes in interest rates, inflation and any decline in creditworthiness of the bond issuer. Bonds that produce a higher level of income usually also carry greater risk as such bond issuers may not be able to pay the bond income as promised or could fail to repay the capital amount used to purchase the bond. There may be cases where the organisation from which we buy a bond fails to carry out its obligations which could cause losses to the Sub-fund.
- Investing in other funds may expose investors to increased risk due to less strict regulations and the use of derivatives. These other funds can themselves invest into assets such as bonds, company shares, cash and currencies. The objectives and risk profiles of these underlying funds may not be fully in line with those of this Sub-fund.
- The level of income may go down as well as up and is not guaranteed.
- Investing overseas can bring additional returns and spread risk to different markets. There are risks, however, that changes in currency exchange rates may cause the value of your investment to decrease or increase.
- For further risk information please see the Prospectus.

### Risk warning

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

## Statement of Total Return

for the year ended 30 April 2024

|                                                                                     | Note | £         | 30.04.24<br>£      | £         | 30.04.23<br>£       |
|-------------------------------------------------------------------------------------|------|-----------|--------------------|-----------|---------------------|
| Income                                                                              |      |           |                    |           |                     |
| Net capital losses                                                                  | 2    |           | (2,162,722)        |           | (21,818,060)        |
| Revenue                                                                             | 3    | 9,300,201 |                    | 5,335,659 |                     |
| Expenses                                                                            | 4    | (223,929) |                    | (170,225) |                     |
| Net revenue before taxation                                                         |      | 9,076,272 |                    | 5,165,434 |                     |
| Taxation                                                                            | 5    | -         |                    | -         |                     |
| Net revenue after taxation                                                          |      |           | 9,076,272          |           | 5,165,434           |
| <b>Total return before distributions</b>                                            |      |           | <b>6,913,550</b>   |           | <b>(16,652,626)</b> |
| Distributions                                                                       | 6    |           | (9,076,046)        |           | (5,165,495)         |
| <b>Change in net assets attributable to Shareholders from investment activities</b> |      |           | <b>(2,162,496)</b> |           | <b>(21,818,121)</b> |

## Statement of Change in Net Assets Attributable to Shareholders

for the year ended 30 April 2024

|                                                                                                                    | £            | 30.04.24<br>£      | £            | 30.04.23<br>£      |
|--------------------------------------------------------------------------------------------------------------------|--------------|--------------------|--------------|--------------------|
| <b>Opening net assets attributable to Shareholders</b>                                                             |              | <b>162,510,067</b> |              | <b>113,041,296</b> |
| Amounts receivable on issue of shares                                                                              | 150,854,600  |                    | 94,513,435   |                    |
| Dilution levy                                                                                                      | -            |                    | 3,367        |                    |
| Breach Compensation received                                                                                       | -            |                    | 1,844        |                    |
| Less: Amounts payable on cancellation of shares                                                                    | (44,605,942) |                    | (23,691,205) |                    |
|                                                                                                                    |              | 106,248,658        |              | 70,827,441         |
| Change in net assets attributable to Shareholders from investment activities (see Statement of Total Return above) |              | (2,162,496)        |              | (21,818,121)       |
| Retained distributions on accumulation shares                                                                      |              | 2,066,310          |              | 459,451            |
| <b>Closing net assets attributable to Shareholders</b>                                                             |              | <b>268,662,539</b> |              | <b>162,510,067</b> |

The notes on pages 109 to 115 form an integral part of these Financial Statements.

# MI Quilter Cheviot Fixed Interest Fund

## Balance Sheet

as at 30 April 2024

|                                                | Note | £           | 30.04.24<br>£      | 30.04.23<br>£      |
|------------------------------------------------|------|-------------|--------------------|--------------------|
| <b>ASSETS</b>                                  |      |             |                    |                    |
| <b>Fixed assets</b>                            |      |             |                    |                    |
| Investments                                    |      |             | 262,743,028        | 156,468,477        |
| <b>Current assets</b>                          |      |             |                    |                    |
| Debtors                                        | 7    | 2,786,717   | 5,660,875          |                    |
| Cash and bank balances                         | 9    | 8,042,496   | 3,254,569          |                    |
| <b>Total current assets</b>                    |      |             | <b>10,829,213</b>  | <b>8,915,444</b>   |
| <b>Total assets</b>                            |      |             | <b>273,572,241</b> | <b>165,383,921</b> |
| <b>LIABILITIES</b>                             |      |             |                    |                    |
| <b>Creditors</b>                               |      |             |                    |                    |
| Bank overdrafts                                | 9    | (1,523,711) | (728,414)          |                    |
| Distribution payable                           |      | (2,594,258) | (1,574,094)        |                    |
| Other creditors                                | 8    | (791,733)   | (571,346)          |                    |
| <b>Total creditors</b>                         |      |             | <b>(4,909,702)</b> | <b>(2,873,854)</b> |
| <b>Total liabilities</b>                       |      |             | <b>(4,909,702)</b> | <b>(2,873,854)</b> |
| <b>Net assets attributable to Shareholders</b> |      |             | <b>268,662,539</b> | <b>162,510,067</b> |

The notes on pages 109 to 115 form an integral part of these Financial Statements.



## Notes to the Financial Statements

for the year ended 30 April 2024

### 1. Accounting Policies

The Sub-fund's Financial Statements have been prepared on the same basis as the Accounting Policies stated on pages 8 and 9.

### 2. Net Capital Losses<sup>^</sup>

|                           | Realised<br>£      | 30.04.24<br>Unrealised<br>£ | Total<br>£         |
|---------------------------|--------------------|-----------------------------|--------------------|
| Non-derivative securities | (4,672,397)        | 2,517,882                   | (2,154,515)        |
| Transaction charges       | (8,207)            | –                           | (8,207)            |
| <b>Net capital losses</b> | <b>(4,680,604)</b> | <b>2,517,882</b>            | <b>(2,162,722)</b> |

|                           | Realised<br>£      | 30.04.23<br>Unrealised<br>£ | Total<br>£          |
|---------------------------|--------------------|-----------------------------|---------------------|
| Non-derivative securities | (6,223,352)        | (15,584,433)                | (21,807,785)        |
| Transaction charges       | (10,275)           | –                           | (10,275)            |
| <b>Net capital losses</b> | <b>(6,233,627)</b> | <b>(15,584,433)</b>         | <b>(21,818,060)</b> |

<sup>^</sup>Where realised gains/losses include gains/losses arising in prior years, a corresponding loss/gain is included within the unrealised gains/loss presented.

### 3. Revenue

|                                                             | 30.04.24<br>£    | 30.04.23<br>£    |
|-------------------------------------------------------------|------------------|------------------|
| Distributions from Regulated Collective Investment Schemes: |                  |                  |
| Interest distributions                                      | 5,760,797        | 2,393,765        |
| Interest on debt securities                                 | 3,303,824        | 2,885,991        |
| Bank interest                                               | 235,580          | 55,903           |
| <b>Total revenue</b>                                        | <b>9,300,201</b> | <b>5,335,659</b> |

### 4. Expenses

|                                                                                                           | 30.04.24<br>£ | 30.04.23<br>£ |
|-----------------------------------------------------------------------------------------------------------|---------------|---------------|
| Payable to the Authorised Corporate Director ('ACD'), associates of the ACD and agents of either of them: |               |               |
| ACD's fee                                                                                                 | 49,057        | 33,751        |
| Administration fees                                                                                       | 69,890        | 47,313        |
| Registration fees                                                                                         | 60,925        | 49,350        |
|                                                                                                           | 179,872       | 130,414       |
| Payable to the Investment Manager, associates of the Investment Manager and agents of either of them:     |               |               |
| Investment Manager's fee                                                                                  | 60            | –             |
| Payable to the Depositary, associates of the Depositary and agents of either of them:                     |               |               |
| Depositary's fee (including VAT)                                                                          | 18,650        | 13,888        |
| Safe custody and other bank charges                                                                       | 5,670         | 3,324         |
|                                                                                                           | 24,320        | 17,212        |

# MI Quilter Cheviot Fixed Interest Fund

## Notes to the Financial Statements

continued

### 4. Expenses (continued)

|                          | 30.04.24<br>£        | 30.04.23<br>£        |
|--------------------------|----------------------|----------------------|
| Auditor's remuneration*: |                      |                      |
| Audit fee                | 10,870               | 10,065               |
| Tax Compliance services  | 2,349                | 2,163                |
|                          | <hr/> 13,219         | <hr/> 12,228         |
| Other expenses:          |                      |                      |
| Legal fees               | 4,615                | 10,406               |
| Printing costs           | 1,836                | (35)                 |
|                          | <hr/> 6,458          | <hr/> 10,371         |
| <b>Expenses</b>          | <hr/> <b>223,929</b> | <hr/> <b>170,225</b> |

\*Included within the auditor's remuneration is irrecoverable VAT of £2,203 (2023: £2,038).

### 5. Taxation

|                                                     | 30.04.24<br>£ | 30.04.23<br>£ |
|-----------------------------------------------------|---------------|---------------|
| (a) Analysis of charge in the year:                 |               |               |
| <b>Total tax charge (note 5b)</b>                   | <hr/> -       | <hr/> -       |
| (b) Factors affecting taxation charge for the year: |               |               |
| Net revenue before taxation                         | 9,076,272     | 5,165,434     |
| Corporation tax at 20%                              | 1,815,254     | 1,033,087     |
| Effects of:                                         |               |               |
| Interest distributions                              | (1,815,254)   | (1,033,087)   |
| <b>Total tax charge (note 5a)</b>                   | <hr/> -       | <hr/> -       |

#### (c) Deferred tax

There was no liability to deferred tax at the balance sheet date.

## Notes to the Financial Statements

continued

### 6. Distributions

The distributions take account of revenue received on the issue of shares and revenue deducted on the cancellation of shares, and comprise:

|                                            |          | <b>30.04.24</b>        | <b>30.04.23</b>        |
|--------------------------------------------|----------|------------------------|------------------------|
|                                            |          | <b>£</b>               | <b>£</b>               |
| First interim distribution                 | 31.07.23 | 1,726,756              | 947,750                |
| Second interim distribution                | 31.10.23 | 2,641,645              | 1,180,897              |
| Third interim distribution                 | 31.01.24 | 1,997,026              | 1,443,161              |
| Final distribution                         | 30.04.24 | 3,437,745              | 1,834,468              |
|                                            |          | <hr/> 9,803,172        | <hr/> 5,406,276        |
| Revenue deducted on cancellation of shares |          | 270,035                | 104,670                |
| Revenue received on issue of shares        |          | (997,161)              | (345,451)              |
| <b>Distributions</b>                       |          | <hr/> <b>9,076,046</b> | <hr/> <b>5,165,495</b> |

#### Reconciliation of net revenue after taxation to net distributions:

|                                                          |  |                        |                        |
|----------------------------------------------------------|--|------------------------|------------------------|
| Net revenue after taxation per Statement of Total Return |  | 9,076,272              | 5,165,434              |
| Undistributed revenue brought forward                    |  | 49                     | 110                    |
| Undistributed revenue carried forward                    |  | (275)                  | (49)                   |
| <b>Distributions</b>                                     |  | <hr/> <b>9,076,046</b> | <hr/> <b>5,165,495</b> |

### 7. Debtors

|                              |  | <b>30.04.24</b>        | <b>30.04.23</b>        |
|------------------------------|--|------------------------|------------------------|
|                              |  | <b>£</b>               | <b>£</b>               |
| Amounts receivable on issues |  | 1,931,405              | 1,258,493              |
| Sales awaiting settlement    |  | –                      | 4,020,000              |
| Accrued income:              |  |                        |                        |
| Interest on debt securities  |  | 854,304                | 380,748                |
| Prepaid expenses:            |  |                        |                        |
| Legal fees                   |  | 1,008                  | 1,634                  |
| <b>Total debtors</b>         |  | <hr/> <b>2,786,717</b> | <hr/> <b>5,660,875</b> |

### 8. Other Creditors

|                                                                                                                   |  | <b>30.04.24</b> | <b>30.04.23</b> |
|-------------------------------------------------------------------------------------------------------------------|--|-----------------|-----------------|
|                                                                                                                   |  | <b>£</b>        | <b>£</b>        |
| Amounts payable on cancellations                                                                                  |  | 752,863         | 540,613         |
| Accrued expenses:                                                                                                 |  |                 |                 |
| Amounts payable to the Authorised Corporate Director ('ACD'), associates of the ACD and agents of either of them: |  |                 |                 |
| ACD's fee                                                                                                         |  | 5,059           | 3,355           |
| Administration fee                                                                                                |  | 7,270           | 4,746           |
| Registration fees                                                                                                 |  | 5,597           | 4,341           |
|                                                                                                                   |  | <hr/> 17,926    | <hr/> 12,442    |

# MI Quilter Cheviot Fixed Interest Fund

## Notes to the Financial Statements

continued

### 8. Other Creditors (continued)

|                                                                                               | 30.04.24<br>£  | 30.04.23<br>£  |
|-----------------------------------------------------------------------------------------------|----------------|----------------|
| Amounts payable to the Depositary, associates of the Depositary and agents of either of them: |                |                |
| Depositary's fee (including VAT)                                                              | 5,180          | 2,663          |
| Safe custody and other bank charges                                                           | 1,623          | 623            |
|                                                                                               | 6,803          | 3,286          |
| Other expenses:                                                                               |                |                |
| Auditor's remuneration*:                                                                      |                |                |
| Audit fee                                                                                     | 10,870         | 10,065         |
| Tax compliance services                                                                       | 2,349          | 4,140          |
|                                                                                               | 13,219         | 14,205         |
| Other accrued expenses:                                                                       |                |                |
| Printing costs                                                                                | 922            | 800            |
|                                                                                               | 922            | 800            |
| <b>Total other creditors</b>                                                                  | <b>791,733</b> | <b>571,346</b> |

\*Included within the auditor's remuneration is irrecoverable VAT of £2,203 (2023: £2,368).

### 9. Cash and Bank Balances

|                               | 30.04.24<br>£    | 30.04.23<br>£    |
|-------------------------------|------------------|------------------|
| Cash and bank balances        | 8,042,496        | 3,254,569        |
| Overdraft positions           | (1,523,711)      | (728,414)        |
| <b>Cash and bank balances</b> | <b>6,518,785</b> | <b>2,526,155</b> |

### 10. Related Party Transactions

Apex Fundrock Limited ('AFL') is regarded as a related party by virtue of having the ability to act in respect of the operations of the Sub-fund in its capacity as the Authorised Corporate Director ('ACD').

ACD and other fees payable to AFL are disclosed in note 4 and amounts due at the year end are shown in note 8.

Fees payable to Quilter Cheviot Limited (the 'Investment Manager') are disclosed in note 4 and amounts due at the year end are shown in note 8.

Amounts receivable on issue and payable on cancellation of shares and dilution levy are disclosed in the Statement of Change in Net Assets Attributable to Shareholders and in note 6, amounts due at the period end are shown in notes 7 and 8.

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

### 11. Contingent Liabilities and Outstanding Commitments

There were no contingent liabilities or outstanding commitments at the balance sheet date (2023: none).

## Notes to the Financial Statements

continued

### 12. Risk Management Policies and Disclosures

The main risks arising from financial instruments and the ACD's policies for managing these risks are disclosed in note 2 on pages 9 to 11.

Numerical disclosures relating to the Sub-fund are as follows:

#### Disclosure of VaR limit

|                  | <b>30.04.24</b> | <b>Utilisation of</b> | <b>30.04.23</b> | <b>Utilisation of</b> |
|------------------|-----------------|-----------------------|-----------------|-----------------------|
|                  | <b>% of VaR</b> | <b>VaR (*) 20%</b>    | <b>% of VaR</b> | <b>VaR (*) 20%</b>    |
| VaR at year end: | 11.86           | 59.30                 | 10.66           | 53.30                 |
| Minimum VaR:     | 9.55            | 47.75                 | 3.83            | 19.15                 |
| Maximum VaR:     | 14.58           | 72.90                 | 11.95           | 59.75                 |
| Average VaR:     | 12.45           | 62.25                 | 8.28            | 41.40                 |

\*The VaR on the Sub-fund has been divided by its maximum limit.

#### Currency risk

The majority of the Sub-fund's assets comprise of investments and cash denominated in Sterling. As a result, the income and capital value of the Sub-fund are not affected by currency movements.

There is no material direct foreign currency exposure in the Sub-fund (2023: same).

# MI Quilter Cheviot Fixed Interest Fund

## Notes to the Financial Statements

continued

### 13. Portfolio Transaction Costs

#### 30.04.24

| Analysis of purchases                            | Total purchase cost<br>£ | Commissions paid |      | Taxes |      | Purchases before transaction cost<br>£ |
|--------------------------------------------------|--------------------------|------------------|------|-------|------|----------------------------------------|
|                                                  |                          | £                | %    | £     | %    |                                        |
| Bonds                                            | 89,721,578               | –                | 0.00 | –     | 0.00 | 89,721,578                             |
| Funds                                            | 59,834,212               | –                | 0.00 | –     | 0.00 | 59,834,212                             |
| <b>Total purchases after commissions and tax</b> | <b>149,555,790</b>       |                  |      |       |      |                                        |

| Analysis of sales                            | Net sale proceeds<br>£ | Commissions paid |      | Taxes |      | Sales before transaction cost<br>£ |
|----------------------------------------------|------------------------|------------------|------|-------|------|------------------------------------|
|                                              |                        | £                | %    | £     | %    |                                    |
| Bonds                                        | 36,248,011             | –                | 0.00 | –     | 0.00 | 36,248,011                         |
| Funds                                        | 7,024,895              | –                | 0.00 | –     | 0.00 | 7,024,895                          |
| <b>Total sales after commissions and tax</b> | <b>43,272,906</b>      |                  |      |       |      |                                    |

|                                         |       |
|-----------------------------------------|-------|
| Commission as a % of average net assets | 0.00% |
| Taxes as a % of the average net assets  | 0.00% |

#### 30.04.23

| Analysis of purchases                            | Total purchase cost<br>£ | Commissions paid |      | Taxes |      | Purchases before transaction cost<br>£ |
|--------------------------------------------------|--------------------------|------------------|------|-------|------|----------------------------------------|
|                                                  |                          | £                | %    | £     | %    |                                        |
| Bonds                                            | 43,196,967               | –                | 0.00 | –     | 0.00 | 43,196,967                             |
| Funds                                            | 67,759,801               | –                | 0.00 | –     | 0.00 | 67,759,801                             |
| <b>Total purchases after commissions and tax</b> | <b>110,956,768</b>       |                  |      |       |      |                                        |

| Analysis of sales                            | Net sale proceeds<br>£ | Commissions paid |      | Taxes |      | Sales before transaction cost<br>£ |
|----------------------------------------------|------------------------|------------------|------|-------|------|------------------------------------|
|                                              |                        | £                | %    | £     | %    |                                    |
| Bonds                                        | 4,516,815              | –                | 0.00 | –     | 0.00 | 4,516,815                          |
| Funds                                        | 37,584,705             | –                | 0.00 | –     | 0.00 | 37,584,705                         |
| <b>Total sales after commissions and tax</b> | <b>42,101,520</b>      |                  |      |       |      |                                    |

|                                         |       |
|-----------------------------------------|-------|
| Commission as a % of average net assets | 0.00% |
| Taxes as a % of the average net assets  | 0.00% |

Commissions and taxes as a % of the average net assets form part of the direct transaction costs stated within the comparative tables on pages 104 to 106. The direct transaction costs within the comparative tables may differ due to the effect of dilution levies charged (where applicable).

### 14. Portfolio Dealing Spread

The average portfolio dealing spread at 30 April 2024 is 0.04% (2023: 0.06%).

## Notes to the Financial Statements

continued

### 15. Post Balance Sheet Events

There were no notifiable events post the year end balance sheet date.

### 16. Fair Value Disclosure

| Valuation technique    | 30.04.24           |                  | 30.04.23           |                  |
|------------------------|--------------------|------------------|--------------------|------------------|
|                        | Assets<br>£        | Liabilities<br>£ | Assets<br>£        | Liabilities<br>£ |
| Level 1 <sup>^</sup>   | 128,865,038        | –                | 77,122,778         | –                |
| Level 2 <sup>^^</sup>  | 133,877,990        | –                | 79,345,699         | –                |
| Level 3 <sup>^^^</sup> | –                  | –                | –                  | –                |
|                        | <b>262,743,028</b> | <b>–</b>         | <b>156,468,477</b> | <b>–</b>         |

<sup>^</sup>Level 1: Unadjusted quoted price in an active market for an identical instrument.

<sup>^^</sup>Level 2: Valuation techniques using observable inputs other than quoted prices within level 1.

<sup>^^^</sup>Level 3: Valuation techniques using unobservable inputs.

### 17. Shares in Issue

|                                 | A<br>Income<br>GBP | A<br>Accumulation<br>GBP | B<br>Income<br>GBP | B<br>Accumulation<br>GBP |
|---------------------------------|--------------------|--------------------------|--------------------|--------------------------|
| Opening number of shares        | 182,355,661        | 30,269,039               | –                  | –                        |
| Shares issued                   | 139,205,641        | 62,248,369               | –                  | 85                       |
| Shares cancelled                | (51,313,794)       | (8,084,315)              | (30,740)           | –                        |
| Shares converted                | (40,447)           | –                        | 30,740             | –                        |
| <b>Closing number of Shares</b> | <b>270,207,061</b> | <b>84,433,093</b>        | <b>–</b>           | <b>85</b>                |

# MI Quilter Cheviot Fixed Interest Fund

## Distribution Tables

for the year ended 30 April 2024

### Income share distributions

| Share class | Distribution   | Shares               | Net revenue<br>p | Equalisation<br>p | Distribution paid/payable<br>2024<br>p | Distribution paid<br>2023<br>p |
|-------------|----------------|----------------------|------------------|-------------------|----------------------------------------|--------------------------------|
| A Income    | First interim  | Group 1              | 0.7258           | –                 | 0.7258                                 | 0.6409                         |
|             |                | Group 2              | 0.3503           | 0.3755            | 0.7258                                 | 0.6409                         |
|             | Second interim | Group 1              | 0.9032           | –                 | 0.9032                                 | 0.7514                         |
|             |                | Group 2              | 0.2529           | 0.6503            | 0.9032                                 | 0.7514                         |
|             | Third interim  | Group 1              | 0.6493           | –                 | 0.6493                                 | 0.7303                         |
|             |                | Group 2              | 0.1849           | 0.4644            | 0.6493                                 | 0.7303                         |
|             | Final          | Group 1              | 0.9601           | –                 | 0.9601                                 | 0.8632                         |
|             |                | Group 2              | 0.2315           | 0.7286            | 0.9601                                 | 0.8632                         |
| B Income*   | First interim  | Group 1              | 0.4891           | –                 | 0.4891                                 | n/a                            |
|             |                | Group 2 <sup>^</sup> | 0.4891           | –                 | 0.4891                                 | n/a                            |
|             | Second Interim | Group 1              | n/a              | n/a               | n/a                                    | n/a                            |
|             |                | Group 2              | n/a              | n/a               | n/a                                    | n/a                            |
|             | Third Interim  | Group 1              | n/a              | n/a               | n/a                                    | n/a                            |
|             |                | Group 2              | n/a              | n/a               | n/a                                    | n/a                            |
|             | Final          | Group 1              | n/a              | n/a               | n/a                                    | n/a                            |
|             |                | Group 2              | n/a              | n/a               | n/a                                    | n/a                            |

### Accumulation share distributions

| Share class      | Distribution   | Shares               | Net revenue<br>p | Equalisation<br>p | Amount reinvested<br>2024<br>p | Amount reinvested<br>2023<br>p |
|------------------|----------------|----------------------|------------------|-------------------|--------------------------------|--------------------------------|
| A Accumulation   | First interim  | Group 1              | 0.7303           | –                 | 0.7303                         | 0.6185                         |
|                  |                | Group 2              | 0.3462           | 0.3841            | 0.7303                         | 0.6185                         |
|                  | Second interim | Group 1              | 0.9535           | –                 | 0.9535                         | 0.7564                         |
|                  |                | Group 2              | 0.3718           | 0.5817            | 0.9535                         | 0.7564                         |
|                  | Third interim  | Group 1              | 0.6832           | –                 | 0.6832                         | 0.7305                         |
|                  |                | Group 2              | 0.1190           | 0.5642            | 0.6832                         | 0.7305                         |
|                  | Final          | Group 1              | 0.9990           | –                 | 0.9990                         | 0.8602                         |
|                  |                | Group 2              | 0.7553           | 0.2437            | 0.9990                         | 0.8602                         |
| B Accumulation** | First interim  | Group 1              | n/a              | n/a               | n/a                            | n/a                            |
|                  |                | Group 2              | n/a              | n/a               | n/a                            | n/a                            |
|                  | Second Interim | Group 1              | n/a              | n/a               | n/a                            | n/a                            |
|                  |                | Group 2              | n/a              | n/a               | n/a                            | n/a                            |
|                  | Third Interim  | Group 1              | n/a              | n/a               | n/a                            | n/a                            |
|                  |                | Group 2              | n/a              | n/a               | n/a                            | n/a                            |
|                  | Final          | Group 1              | 0.2205           | –                 | 0.2205                         | n/a                            |
|                  |                | Group 2 <sup>^</sup> | 0.2205           | –                 | 0.2205                         | n/a                            |

\*Launched on 9 May 2023 and was dis-invested on 8 August 2023

\*\*Launched on 17 April 2024

<sup>^</sup> No group 2 shares held in this distribution period.



## Distribution Tables

continued

|                        |                     |
|------------------------|---------------------|
| First interim period:  | 01.05.23 - 31.07.23 |
| Second interim period: | 01.08.23 - 31.10.23 |
| Third interim period:  | 01.11.23 - 31.01.24 |
| Final period:          | 01.02.24 - 30.04.24 |

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

### Equalisation

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

# MI Quilter Cheviot North American Equity Fund

## Investment Objective and Policy

for the year ended 30 April 2024

### Investment Objective

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

### Investment Policy

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

The Sub-fund will invest at least 90% directly or indirectly, in shares of North American companies. The Sub-fund will typically invest at least 80% of the portfolio directly but at times, dependent on market conditions and the Investment Manager's view of the market, the direct exposure may be higher or lower than this but it is not expected to ever fall below 60%. North American companies are those that are domiciled, incorporated or have a significant portion of their business in North America, even if listed elsewhere.

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

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

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

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

## Investment Manager's Report

for the year ended 30 April 2024

### Market Commentary

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

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

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

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

## Investment Manager's Report

continued

consideration, including some significant index heavyweights. As such, the dwindling nature of the UK stock market is an area very much in the spotlight, with a clear call to ensure the UK remains an attractive environment for companies to come to market.

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

### Investment Review

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

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

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

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

Throughout the period we employed an active approach to positioning the Sub-fund. As the economic outlook and prevailing market trends shifted throughout, we were dynamic in our choice of sectors and securities, balancing risk and looking for long-term prospects that usually arise during instances of market fluctuation. Early in the period we initiated a position in Salesforce, a leading provider of Software as a Service ('SaaS') with principal products in Customer Relationship Management ('CRM'). Unlike traditional software, SaaS software has no large upfront fee, lower implementation costs and is paid for by a subscription fee. Growing both sales and cashflow quickly, and with its products becoming the de facto standard in this area, we added Salesforce for its resilient sales growth in a difficult economic backdrop, its improving profitability and increasingly shareholder friendly profile.

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

# MI Quilter Cheviot North American Equity Fund

## Investment Manager's Report

continued

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

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

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

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

### Outlook

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

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

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

~Source: Data provided by FactSet.

# MI Quilter Cheviot North American Equity Fund

## Portfolio Statement

as at 30 April 2024

| Holding                                                               | Security                                                         | Market value<br>£ | % of total<br>net assets<br>2024 |
|-----------------------------------------------------------------------|------------------------------------------------------------------|-------------------|----------------------------------|
| <b>TECHNOLOGY 31.03% (24.75%)</b>                                     |                                                                  |                   |                                  |
| <b>Software and Computer Services 21.39% (14.25%)</b>                 |                                                                  |                   |                                  |
| 85,138                                                                | Alphabet A Class                                                 | 11,064,336        | 2.05                             |
| 16,911                                                                | Equinix                                                          | 9,600,818         | 1.78                             |
| 21,007                                                                | Intuit                                                           | 10,489,910        | 1.95                             |
| 61,531                                                                | Meta Platforms                                                   | 21,130,672        | 3.92                             |
| 133,310                                                               | Microsoft                                                        | 41,437,786        | 7.69                             |
| 47,441                                                                | Palo Alto Networks                                               | 11,021,574        | 2.05                             |
| 48,885                                                                | Salesforce                                                       | 10,496,161        | 1.95                             |
|                                                                       |                                                                  | <hr/>             |                                  |
|                                                                       |                                                                  | 115,241,257       | 21.39                            |
| <b>Technology Hardware and Equipment 9.64% (10.50%)</b>               |                                                                  |                   |                                  |
| 154,532                                                               | Apple                                                            | 20,981,104        | 3.89                             |
| 29,572                                                                | NVIDIA                                                           | 20,387,935        | 3.78                             |
| 96,504                                                                | Taiwan Semiconductor                                             | 10,585,304        | 1.97                             |
|                                                                       |                                                                  | <hr/>             |                                  |
|                                                                       |                                                                  | 51,954,343        | 9.64                             |
| <b>TELECOMMUNICATIONS 1.84% (1.65%)</b>                               |                                                                  |                   |                                  |
| <b>Telecommunications Service Providers 1.84% (1.65%)</b>             |                                                                  |                   |                                  |
| 75,379                                                                | T-Mobile                                                         | 9,879,760         | 1.84                             |
| <b>HEALTHCARE 11.04% (11.98%)</b>                                     |                                                                  |                   |                                  |
| <b>Medical Equipment and Services 4.46% (4.66%)</b>                   |                                                                  |                   |                                  |
| 141,508                                                               | Medtronic                                                        | 9,068,447         | 1.68                             |
| 33,008                                                                | Thermo Fisher Scientific                                         | 14,985,279        | 2.78                             |
|                                                                       |                                                                  | <hr/>             |                                  |
|                                                                       |                                                                  | 24,053,726        | 4.46                             |
| <b>Pharmaceuticals and Biotechnology 6.58% (7.32%)</b>                |                                                                  |                   |                                  |
| 157,364                                                               | Merck                                                            | 16,224,039        | 3.01                             |
| 435,959                                                               | Pfizer                                                           | 8,913,466         | 1.66                             |
| 81,076                                                                | Zoetis                                                           | 10,309,816        | 1.91                             |
|                                                                       |                                                                  | <hr/>             |                                  |
|                                                                       |                                                                  | 35,447,321        | 6.58                             |
| <b>FINANCIALS 16.93% (15.18%)</b>                                     |                                                                  |                   |                                  |
| <b>Finance and Credit Services 1.75% (1.95%)</b>                      |                                                                  |                   |                                  |
| 28,462                                                                | S&P Global                                                       | 9,441,264         | 1.75                             |
| <b>Investment Banking and Brokerage Services 5.65% (5.86%)</b>        |                                                                  |                   |                                  |
| 94,506                                                                | Ares Management                                                  | 10,038,574        | 1.86                             |
| 340,084                                                               | Bank of America                                                  | 10,049,603        | 1.87                             |
| 67,453                                                                | JPMorgan Chase                                                   | 10,327,781        | 1.92                             |
|                                                                       |                                                                  | <hr/>             |                                  |
|                                                                       |                                                                  | 30,415,958        | 5.65                             |
| <b>Open-Ended and Miscellaneous Investment Vehicles 6.13% (3.43%)</b> |                                                                  |                   |                                  |
| 7,730,166                                                             | Artemis Funds (Lux) - US Smaller Companies - I USD Accumulation* | 10,200,904        | 1.90                             |
| 563,938                                                               | iShares S&P 500 UCITS ETF - USD Distributing                     | 22,799,294        | 4.23                             |
|                                                                       |                                                                  | <hr/>             |                                  |
|                                                                       |                                                                  | 33,000,198        | 6.13                             |
| <b>Nonlife Insurance 3.40% (3.94%)</b>                                |                                                                  |                   |                                  |
| 8,186                                                                 | Markel                                                           | 9,534,752         | 1.77                             |
| 55,255                                                                | Marsh & McLennan                                                 | 8,800,818         | 1.63                             |
|                                                                       |                                                                  | <hr/>             |                                  |
|                                                                       |                                                                  | 18,335,570        | 3.40                             |

# MI Quilter Cheviot North American Equity Fund

## Portfolio Statement

continued

| Holding | Security                                                 | Market value<br>£ | % of total<br>net assets<br>2024 |
|---------|----------------------------------------------------------|-------------------|----------------------------------|
|         | <b>CONSUMER DISCRETIONARY 10.07% (14.25%)</b>            |                   |                                  |
|         | <b>Media 1.83% (3.58%)</b>                               |                   |                                  |
| 22,427  | Netflix                                                  | 9,860,465         | 1.83                             |
|         | <b>Retailers 6.60% (8.74%)</b>                           |                   |                                  |
| 176,614 | Amazon.com                                               | 24,684,490        | 4.58                             |
| 147,776 | Nike                                                     | 10,888,758        | 2.02                             |
|         |                                                          | 35,573,248        | 6.60                             |
|         | <b>Travel and Leisure 1.64% (1.93%)</b>                  |                   |                                  |
| 46,774  | Marriot International                                    | 8,813,879         | 1.64                             |
|         | <b>CONSUMER STAPLES 4.76% (5.58%)</b>                    |                   |                                  |
|         | <b>Beverages 1.86% (1.87%)</b>                           |                   |                                  |
| 203,174 | Coca Cola                                                | 10,019,962        | 1.86                             |
|         | <b>Food Producers 1.00% (1.96%)</b>                      |                   |                                  |
| 94,073  | Mondelez International                                   | 5,405,009         | 1.00                             |
|         | <b>Tobacco 1.90% (1.75%)</b>                             |                   |                                  |
| 134,785 | Philip Morris International                              | 10,216,791        | 1.90                             |
|         | <b>INDUSTRIALS 13.81% (13.86%)</b>                       |                   |                                  |
|         | <b>Construction and Materials 0.89% (0.00%)</b>          |                   |                                  |
| 77,296  | CRH                                                      | 4,778,141         | 0.89                             |
|         | <b>Electronic and Electrical Equipment 3.48% (3.74%)</b> |                   |                                  |
| 109,884 | Emerson Electric                                         | 9,456,992         | 1.76                             |
| 42,831  | Rockwell Automation                                      | 9,266,424         | 1.72                             |
|         |                                                          | 18,723,416        | 3.48                             |
|         | <b>Industrial Support Services 5.63% (5.60%)</b>         |                   |                                  |
| 117,673 | Advanced Micro Devices                                   | 14,882,754        | 2.76                             |
| 72,067  | Visa Class A                                             | 15,460,360        | 2.87                             |
|         |                                                          | 30,343,114        | 5.63                             |
|         | <b>Industrial Transportation 3.81% (4.52%)</b>           |                   |                                  |
| 245,670 | Canadian Pacific Kansas City                             | 15,388,466        | 2.86                             |
| 9,634   | United Rentals                                           | 5,139,698         | 0.95                             |
|         |                                                          | 20,528,164        | 3.81                             |
|         | <b>BASIC MATERIALS 2.74% (3.19%)</b>                     |                   |                                  |
|         | <b>Chemicals 2.74% (3.19%)</b>                           |                   |                                  |
| 42,001  | Linde                                                    | 14,784,714        | 2.74                             |
|         | <b>ENERGY 3.91% (5.10%)</b>                              |                   |                                  |
|         | <b>Oil, Gas and Coal 3.91% (5.10%)</b>                   |                   |                                  |
| 78,037  | Chevron                                                  | 10,051,136        | 1.87                             |
| 116,536 | Exxon Mobil                                              | 11,000,231        | 2.04                             |
|         |                                                          | 21,051,367        | 3.91                             |

## Portfolio Statement

continued

| Holding                  | Security                         | Market value<br>£  | % of total<br>net assets<br>2024 |
|--------------------------|----------------------------------|--------------------|----------------------------------|
|                          | <b>UTILITIES 2.11% (1.86%)</b>   |                    |                                  |
|                          | <b>Electricity 2.11% (1.86%)</b> |                    |                                  |
| 212,798                  | Nextera Energy                   | 11,381,744         | 2.11                             |
| <b>Investment assets</b> |                                  | <b>529,249,411</b> | <b>98.24</b>                     |
| <b>Net other assets</b>  |                                  | <b>9,487,813</b>   | <b>1.76</b>                      |
| <b>Net assets</b>        |                                  | <b>538,737,224</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 30.04.23.

\*Collective Investment Schemes permitted under COLL, not listed on any exchange.

# MI Quilter Cheviot North American Equity Fund

## Comparative Tables

### Change in net assets per share

| A Income~                                      | 30.04.24<br>p | 30.04.23<br>p | 30.04.22<br>p       |
|------------------------------------------------|---------------|---------------|---------------------|
| <b>Opening net asset value per share</b>       | 101.79        | 99.06         | 100.00 <sup>†</sup> |
| Return before operating charges <sup>^</sup>   | 22.26         | 4.09          | -0.44               |
| Operating charges                              | -0.12         | -0.10         | -0.06               |
| Return after operating charges <sup>^</sup>    | 22.14         | 3.99          | -0.50 <sup>^^</sup> |
| Distributions                                  | -1.35         | -1.26         | -0.44               |
| <b>Closing net asset value per share</b>       | <b>122.58</b> | <b>101.79</b> | <b>99.06</b>        |
| <sup>^</sup> After direct transaction costs of | -0.03         | -0.02         | -0.06               |
| <b>Performance</b>                             |               |               |                     |
| Return after charges                           | 21.75%        | 4.02%         | -0.50%              |
| <b>Other information</b>                       |               |               |                     |
| Closing net asset value                        | £396,242,630  | £274,089,492  | £283,694,094        |
| Closing number of shares                       | 323,257,183   | 269,270,606   | 286,372,230         |
| Operating charges                              | 0.09%         | 0.10%         | 0.06%               |
| Ongoing operating charges*                     | 0.06%         | 0.10%         | 0.11%               |
| Direct transaction costs                       | 0.03%         | 0.02%         | 0.06%               |
| <b>Prices</b>                                  |               |               |                     |
| Highest share price                            | 128.11        | 109.48        | 112.42              |
| Lowest share price                             | 99.00         | 90.94         | 93.53               |

| A Accumulation~~                               | 30.04.24<br>p | 30.04.23<br>p | 30.04.22<br>p       |
|------------------------------------------------|---------------|---------------|---------------------|
| <b>Opening net asset value per share</b>       | 92.62         | 89.05         | 100.00 <sup>†</sup> |
| Return before operating charges <sup>^</sup>   | 20.42         | 3.66          | -10.89              |
| Operating charges                              | -0.11         | -0.09         | -0.06               |
| Return after operating charges <sup>^</sup>    | 20.31         | 3.57          | -10.95              |
| Distributions                                  | -1.23         | -1.13         | -0.32               |
| Retained distributions on accumulation shares  | 1.23          | 1.13          | 0.32                |
| <b>Closing net asset value per share</b>       | <b>112.93</b> | <b>92.62</b>  | <b>89.05</b>        |
| <sup>^</sup> After direct transaction costs of | -0.03         | -0.02         | -0.06               |
| <b>Performance</b>                             |               |               |                     |
| Return after charges                           | 21.93%        | 4.01%         | -10.95%             |
| <b>Other information</b>                       |               |               |                     |
| Closing net asset value                        | £125,941,149  | £50,292,960   | £2,330,041          |
| Closing number of shares                       | 111,525,883   | 54,302,803    | 2,616,684           |
| Operating charges                              | 0.09%         | 0.10%         | 0.06%               |
| Ongoing operating charges*                     | 0.06%         | 0.10%         | 0.11%               |
| Direct transaction costs                       | 0.03%         | 0.02%         | 0.06%               |
| <b>Prices</b>                                  |               |               |                     |
| Highest share price                            | 117.71        | 98.71         | 100.00              |
| Lowest share price                             | 90.07         | 81.73         | 83.88               |

~A Income share class launched on 30 September 2021.

~~A Accumulation share class launched on 13 December 2021.

<sup>†</sup>Launch Price.

<sup>^^</sup>A Income return after charges for the period 13 December 2021 to 30 April 2022 was -10.95%.



## Comparative Tables

continued

| <b>B Income~~~</b>                             | <b>30.04.24</b><br><b>p</b> |
|------------------------------------------------|-----------------------------|
| <b>Opening net asset value per share</b>       | 100.00 <sup>†</sup>         |
| Return before operating charges <sup>^</sup>   | 7.58                        |
| Operating charges                              | -0.13                       |
| Return after operating charges <sup>^</sup>    | 7.45                        |
| Redemption payment                             | -107.32                     |
| Distributions                                  | -0.13                       |
| <b>Closing net asset value per share</b>       | <b>0.00</b>                 |
| <sup>^</sup> After direct transaction costs of | -0.03                       |
| <b>Performance</b>                             |                             |
| Return after charges                           | 7.45%                       |
| <b>Other information</b>                       |                             |
| Closing net asset value                        | £0                          |
| Closing number of shares                       | 0                           |
| Operating charges                              | 0.09%                       |
| Ongoing operating charges*                     | 0.09%                       |
| Direct transaction costs                       | 0.03%                       |
| <b>Prices</b>                                  |                             |
| Highest share price                            | 108.50                      |
| Lowest share price                             | 99.80                       |

| <b>B Accumulation~~~~</b>                      | <b>30.04.24</b><br><b>p</b> | <b>30.04.23</b><br><b>p</b> |
|------------------------------------------------|-----------------------------|-----------------------------|
| <b>Opening net asset value per share</b>       | 101.18                      | 100.00 <sup>†</sup>         |
| Return before operating charges <sup>^</sup>   | 6.48                        | 2.09                        |
| Operating charges                              | -0.98                       | -0.91                       |
| Return after operating charges <sup>^</sup>    | 5.50                        | 1.18                        |
| Distributions                                  | -0.20                       | 0.00                        |
| Retained distributions on accumulation shares  | 0.20                        | 0.00                        |
| <b>Closing net asset value per share</b>       | <b>106.68</b>               | <b>101.18</b>               |
| <sup>^</sup> After direct transaction costs of | -0.03                       | -0.02                       |
| <b>Performance</b>                             |                             |                             |
| Return after charges                           | 5.44%                       | 1.18%                       |
| <b>Other information</b>                       |                             |                             |
| Closing net asset value                        | £3,531,604                  | £2,388,259                  |
| Closing number of shares                       | 3,310,442                   | 2,360,442                   |
| Operating charges                              | 0.89%                       | 0.90%                       |
| Ongoing operating charges*                     | 0.86%                       | 0.90%                       |
| Direct transaction costs                       | 0.03%                       | 0.02%                       |
| <b>Prices</b>                                  |                             |                             |
| Highest share price                            | 122.13                      | 102.09                      |
| Lowest share price                             | 98.39                       | 99.49                       |

~~~B Income launched 9 May 2023 and dis-invested 18 September 2023.

~~~~B Accumulation share class launched on 5 April 2023.

<sup>†</sup>Launch Price.

# MI Quilter Cheviot North American Equity Fund

## Comparative Tables

continued

| A Accumulation USD~~~~~                        | 30.04.24<br>\$c     |
|------------------------------------------------|---------------------|
| <b>Opening net asset value per share</b>       | 100.00 <sup>†</sup> |
| Return before operating charges <sup>^</sup>   | 7.58                |
| Operating charges                              | -0.12               |
| Return after operating charges <sup>^</sup>    | 7.46                |
| Distributions                                  | -0.30               |
| Retained distributions on accumulation shares  | 0.30                |
| <b>Closing net asset value per share</b>       | <b>107.46</b>       |
| <sup>^</sup> After direct transaction costs of | -0.03               |
| <b>Performance</b>                             |                     |
| Return after charges                           | 7.46%               |
| <b>Other information</b>                       |                     |
| Closing net asset value                        | \$16,304,647        |
| Closing number of shares                       | 15,173,322          |
| Operating charges                              | 0.09%               |
| Ongoing operating charges*                     | 0.86%               |
| Direct transaction costs                       | 0.03%               |
| <b>Prices</b>                                  |                     |
| Highest share price                            | 111.96              |
| Lowest share price                             | 99.29               |

~~~~~A Accumulation USD share class launched on 27 December 2023.

[†]Launch Price.

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

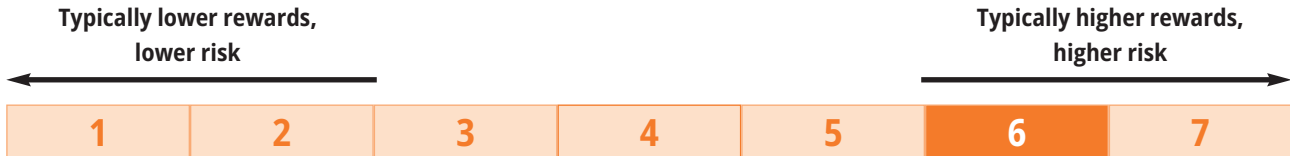
*The Net Asset Value ('NAV') of the Sub-fund has increased by more than 10% if compared to the average Net Asset Values for the year. Taking an average of the daily NAV for the last month of the year has the effect of increasing the operating charges by 0.03%. The Investment Manager has waived the Investment Manager's fee on the B Accumulation share class until further investment is received. This will increase the operating charges by 0.80%. The ACD believes this to be more representative of the charges going forward.

The return after charges is calculated as the closing Net Asset Value per share plus the distributions on income minus the opening Net Asset Value per share as a % of the opening Net Asset Value per share. The basis of valuation of investments used to calculate Net Asset Value per share is described in notes to the Financial Statements 1h) and complies with requirements of the current Statement of Recommended Practice for Financial Statements of UK Authorised Funds. This differs from the basis used to calculate daily published single prices, in which listed investments are valued at 12:00 mid prices.

Direct transaction costs include fees, commissions, transfer taxes and duties in the purchasing and selling of investments, which are offset (where applicable) against any dilution levies charged within the accounting year. The figures used within the table have been calculated against the average Net Asset Value for the accounting year.

Risk and Reward Profile

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



The Sub-fund is ranked at 6 because funds of this type have experienced high rises and falls in value in the past. Please note that even the lowest risk class can lose you money and that extreme market circumstances can mean you suffer severe losses in all cases. The indicator does not take into account the following risks of investing in this Sub-fund:

- Investing overseas can bring additional returns and spread risk to different markets. There are risks, however, that changes in currency exchange rates may cause the value of your investment to decrease or increase.
- Investing in other funds may expose investors to increased risk due to less strict regulations and the use of derivatives. These other funds can themselves invest into assets such as bonds, company shares, cash and currencies. The objectives and risk profiles of these underlying funds may not be fully in line with those of this Sub-fund.
- In difficult market conditions, the value of some investments may be less predictable than normal and the Sub-fund may not be able to buy and sell these investments at the best time or at a fair price. This could affect the Sub-fund's performance, potentially reducing your returns.
- For further risk information please see the Prospectus.

Risk warning

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

MI Quilter Cheviot North American Equity Fund

Statement of Total Return

for the year ended 30 April 2024

| | Note | £ | 30.04.24
£ | £ | 30.04.23
£ |
|---|------|-----------|-------------------|-----------|-------------------|
| Income | | | | | |
| Net capital gains | 2 | | 74,598,765 | | 8,604,668 |
| Revenue | 3 | 5,932,149 | | 4,475,917 | |
| Expenses | 4 | (416,932) | | (316,331) | |
| Interest payable and similar charges | 4 | (9,813) | | – | |
| Net revenue before taxation | | 5,505,404 | | 4,159,586 | |
| Taxation | 5 | (669,686) | | (554,966) | |
| Net revenue after taxation | | | 4,835,718 | | 3,604,620 |
| Total return before distributions | | | 79,434,483 | | 12,209,288 |
| Distributions | 6 | | (4,835,504) | | (3,604,842) |
| Change in net assets attributable to Shareholders from investment activities | | | 74,598,979 | | 8,604,446 |

Statement of Change in Net Assets Attributable to Shareholders

for the year ended 30 April 2024

| | £ | 30.04.24
£ | £ | 30.04.23
£ |
|--|--------------|--------------------|--------------|--------------------|
| Opening net assets attributable to Shareholders | | 326,770,711 | | 286,024,135 |
| Amounts receivable on issue of shares | 231,570,711 | | 113,693,613 | |
| Dilution levy | – | | 7,363 | |
| Less: Amounts payable on cancellation of shares | (95,313,819) | | (81,871,357) | |
| | | 136,256,892 | | 31,829,619 |
| Change in net assets attributable to Shareholders from investment activities (see Statement of Total Return above) | | 74,598,979 | | 8,604,446 |
| Retained distributions on accumulation shares | | 1,110,642 | | 312,511 |
| Closing net assets attributable to Shareholders | | 538,737,224 | | 326,770,711 |

The notes on pages 130 to 136 form an integral part of these Financial Statements.

MI Quilter Cheviot North American Equity Fund

Balance Sheet

as at 30 April 2024

| | Note | £ | 30.04.24 | £ | 30.04.23 | £ |
|--|------|--------------|---------------------|-------------|--------------------|---|
| ASSETS | | | | | | |
| Fixed assets | | | | | | |
| Investments | | | 529,249,411 | | 318,259,480 | |
| Current assets | | | | | | |
| Debtors | 7 | 4,458,225 | | 2,428,395 | | |
| Cash and bank balances | 9 | 17,136,370 | | 8,080,660 | | |
| Total current assets | | | 21,594,595 | | 10,509,055 | |
| Total assets | | | 550,844,006 | | 328,768,535 | |
| LIABILITIES | | | | | | |
| Creditors | | | | | | |
| Bank overdrafts | 9 | - | | (66,571) | | |
| Distribution payable | | (1,060,607) | | (788,155) | | |
| Other creditors | 8 | (11,046,175) | | (1,143,098) | | |
| Total creditors | | | (12,106,782) | | (1,997,824) | |
| Total liabilities | | | (12,106,782) | | (1,997,824) | |
| Net assets attributable to Shareholders | | | 538,737,224 | | 326,770,711 | |

The notes on pages 130 to 136 form an integral part of these Financial Statements.

MI Quilter Cheviot North American Equity Fund

Notes to the Financial Statements

for the year ended 30 April 2024

1. Accounting Policies

The Sub-fund's Financial Statements have been prepared on the same basis as the Accounting Policies stated on pages 8 and 9.

2. Net Capital Gains[^]

| | Realised
£ | 30.04.24
Unrealised
£ | Total
£ |
|---------------------------|------------------|-----------------------------|-------------------|
| Non-derivative securities | 9,495,327 | 65,118,347 | 74,613,674 |
| Currency (losses) / gains | (20,507) | 14,199 | (6,308) |
| Transaction charges | (8,601) | – | (8,601) |
| Net capital gains | 9,466,219 | 65,132,546 | 74,598,765 |

| | Realised
£ | 30.04.23
Unrealised
£ | Total
£ |
|---------------------------|---------------------|-----------------------------|------------------|
| Non-derivative securities | (13,499,821) | 21,905,546 | 8,405,725 |
| Currency gains | 209,592 | – | 209,592 |
| Transaction charges | (10,649) | – | (10,649) |
| Net capital gains | (13,300,878) | 21,905,546 | 8,604,668 |

[^]Where realised gains/losses include gains/losses arising in prior years, a corresponding loss/gain is included within the unrealised gains/loss presented.

3. Revenue

| | 30.04.24
£ | 30.04.23
£ |
|---|------------------|------------------|
| Overseas dividends | 5,427,967 | 4,378,697 |
| Distributions from Regulated Collective Investment Schemes: | | |
| Offshore distributions | 177,777 | 46,273 |
| Bank interest | 326,405 | 50,947 |
| Total revenue | 5,932,149 | 4,475,917 |

4. Expenses

| | 30.04.24
£ | 30.04.23
£ |
|---|---------------|---------------|
| Payable to the Authorised Corporate Director ('ACD'), associates of the ACD and agents of either of them: | | |
| ACD's fee | 95,982 | 72,575 |
| Administration fees | 136,741 | 101,705 |
| Registration fees | 90,727 | 73,549 |
| | 323,450 | 247,829 |
| Payable to the Investment Managers, associates of the Investment Managers and agents of either of them: | | |
| Investment Manager's fee | 14,737 | 1,303 |

Notes to the Financial Statements

continued

4. Expenses (continued)

| | 30.04.24
£ | 30.04.23
£ |
|---|----------------|----------------|
| Payable to the Depositary, associates of the Depositary and agents of either of them: | | |
| Depositary's fee (including VAT) | 36,866 | 30,210 |
| Safe custody and other bank charges | 20,331 | 14,383 |
| | 57,197 | 44,593 |
| Auditor's remuneration*: | | |
| Audit fee | 10,870 | 10,065 |
| Tax Compliance services | 2,349 | 2,163 |
| | 13,219 | 12,228 |
| Other expenses: | | |
| Legal fees | 6,489 | 10,410 |
| Printing costs | 1,840 | (32) |
| | 8,329 | 10,378 |
| Expenses | 416,932 | 316,331 |
| Interest payable and similar charges | 9,813 | – |
| Total | 426,745 | 316,331 |

*Included within the auditor's remuneration is irrecoverable VAT of £2,203 (2023: £2,368).

5. Taxation

| | 30.04.24
£ | 30.04.23
£ |
|---|----------------|----------------|
| (a) Analysis of charge in the year: | | |
| Overseas tax | 669,686 | 554,966 |
| Total tax charge (note 5b) | 669,686 | 554,966 |
| (b) Factors affecting taxation charge for the year: | | |
| Net revenue before taxation | 5,505,404 | 4,159,586 |
| Corporation tax at 20% | 1,101,081 | 831,917 |
| Effects of: | | |
| Movement in surplus management expenses | 20,067 | 53,077 |
| Overseas tax expensed | 669,686 | 554,966 |
| Non-taxable overseas earnings | (1,121,148) | (884,994) |
| Total tax charge (note 5a) | 669,686 | 554,966 |

(c) Deferred tax

At the year end there is a potential deferred tax asset of £101,658 (2023: £81,591) in relation to surplus management expenses of £508,290 (2023: £407,952). It is unlikely that the Sub-fund will generate sufficient taxable profits in the future to utilise these expenses and therefore no deferred tax asset has been recognised in the year.

MI Quilter Cheviot North American Equity Fund

Notes to the Financial Statements

continued

6. Distributions

The distributions take account of revenue received on the issue of shares and revenue deducted on the cancellation of shares, and comprise:

| | | 30.04.24 | 30.04.23 |
|---|----------|------------------------|------------------------|
| | | £ | £ |
| First interim distribution | 31.07.23 | 1,061,881 | 899,659 |
| Second interim distribution | 31.10.23 | 1,131,097 | 908,447 |
| Third interim distribution | 31.01.24 | 1,456,566 | 951,754 |
| Final distribution | 30.04.24 | 1,429,501 | 931,281 |
| | | <hr/> 5,079,045 | <hr/> 3,691,141 |
| Revenue deducted on cancellation of shares | | 162,944 | 146,509 |
| Revenue received on issue of shares | | (406,485) | (232,808) |
| Distributions | | <hr/> 4,835,504 | <hr/> 3,604,842 |
| Reconciliation of net revenue after taxation to net distributions: | | | |
| Net revenue after taxation per Statement of Total Return | | 4,835,718 | 3,604,620 |
| Undistributed revenue brought forward | | 27 | 249 |
| Undistributed revenue carried forward | | (241) | (27) |
| Distributions | | <hr/> 4,835,504 | <hr/> 3,604,842 |

7. Debtors

| | | 30.04.24 | 30.04.23 |
|------------------------------|--|------------------------|------------------------|
| | | £ | £ |
| Amounts receivable on issues | | 4,407,529 | 2,359,089 |
| Accrued income: | | | |
| Dividends receivable | | 50,409 | 67,676 |
| Prepaid expenses: | | | |
| Legal Fees | | 287 | 1,630 |
| Total debtors | | <hr/> 4,458,225 | <hr/> 2,428,395 |

8. Other Creditors

| | | 30.04.24 | 30.04.23 |
|---|--|-----------------|-----------------|
| | | £ | £ |
| Amounts payable on cancellations | | 1,123,130 | 1,096,794 |
| Purchases awaiting settlement | | 9,856,446 | – |
| Accrued expenses: | | | |
| Amounts payable to the Authorised Corporate Director ('ACD'), associates of the ACD and agents of either of them: | | | |
| ACD's fee | | 10,134 | 6,609 |
| Administration fee | | 14,563 | 9,348 |
| Registration fees | | 9,172 | 6,304 |
| | | <hr/> 33,869 | <hr/> 22,261 |

Notes to the Financial Statements

continued

8. Other Creditors (continued)

| | 30.04.24
£ | 30.04.23
£ |
|---|-------------------|------------------|
| Amounts payable to the Investment Manager, associates of the Investment Manager and agents of either of them: | | |
| Investment Manager's fee | 1,660 | 1,303 |
| Amounts payable to the Depositary, associates of the Depositary and agents of either of them: | | |
| Depositary's fee (including VAT) | 10,815 | 5,185 |
| Safe custody and other bank charges | 6,149 | 2,550 |
| | 16,964 | 7,735 |
| Other expenses: | | |
| Auditor's remuneration*: | | |
| Audit fee | 10,870 | 10,065 |
| Tax compliance services | 2,349 | 4,140 |
| | 13,219 | 14,205 |
| Other accrued expenses: | | |
| Printing costs | 887 | 800 |
| Total other creditors | 11,046,175 | 1,143,098 |

*Included within the auditor's remuneration is irrecoverable VAT of £2,203 (2023: £2,368).

9. Cash and Bank Balances

| | 30.04.24
£ | 30.04.23
£ |
|-------------------------------|-------------------|------------------|
| Cash and bank balances | 17,136,370 | 8,080,660 |
| Overdraft positions | – | (66,571) |
| Cash and bank balances | 17,136,370 | 8,014,089 |

10. Related Party Transactions

Apex Fundrock Limited ('AFL') is regarded as a related party by virtue of having the ability to act in respect of the operations of the Sub-fund in its capacity as the Authorised Corporate Director ('ACD').

ACD and other fees payable to AFL are disclosed in note 4 and amounts due at the year end are shown in note 8.

Fees payable to Quilter Cheviot Limited (the 'Investment Manager') are disclosed in note 4 and amounts due at the year end are shown in note 8.

Amounts receivable on issue and payable on cancellation of shares and dilution levy are disclosed in the Statement of Change in Net Assets Attributable to Shareholders and in note 6, amounts due at the year end are shown in notes 7 and 8.

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

11. Contingent Liabilities and Outstanding Commitments

There were no contingent liabilities or outstanding commitments at the balance sheet date (2023: none).

MI Quilter Cheviot North American Equity Fund

Notes to the Financial Statements

continued

12. Risk Management Policies and Disclosures

The main risks arising from financial instruments and the ACD's policies for managing these risks are disclosed in note 2 on pages 9 to 11.

Numerical disclosures relating to the Sub-fund are as follows:

Disclosure of VaR limit

| | 30.04.24
% of VaR | Utilisation of
VaR (*) 20% | 30.04.23
% of VaR | Utilisation of
VaR (*) 20% |
|------------------|----------------------|-------------------------------|----------------------|-------------------------------|
| VaR at year end: | 14.09 | 70.45 | 15.14 | 75.70 |
| Minimum VaR: | 14.09 | 70.45 | 11.78 | 58.90 |
| Maximum VaR: | 16.24 | 81.20 | 15.33 | 76.65 |
| Average VaR: | 15.64 | 78.20 | 14.37 | 71.85 |

*The VaR on the Sub-fund has been divided by its maximum limit.

Currency risk

The table below details the currency risk profile at the balance sheet date:

| | 30.04.24
Total
£ | 30.04.23
Total
£ |
|----------------------|------------------------|------------------------|
| Pound sterling | 6,063,457 | 8,443,555 |
| United States dollar | 532,673,767 | 318,327,156 |
| | 538,737,224 | 326,770,711 |

At the balance sheet date, if the value of sterling increased or decreased by 10%, with all other variables held constant, then the net assets attributable to Shareholders would increase or decrease by approximately £53,267,337 (2023: 31,832,716).

Notes to the Financial Statements

continued

13. Portfolio Transaction Costs

30.04.24

| Analysis of purchases | Total purchase cost
£ | Commissions paid | | Taxes | | Purchases before transaction cost
£ |
|--|--------------------------|------------------|------|-------|------|--|
| | | £ | % | £ | % | |
| Equities | 202,201,032 | 79,423 | 0.04 | – | 0.00 | 202,121,609 |
| Funds | 72,692,305 | – | 0.00 | – | 0.00 | 72,692,305 |
| Total purchases after commissions and tax | 274,893,337 | | | | | |

| Analysis of sales | Net sale proceeds
£ | Commissions paid | | Taxes | | Sales before transaction cost
£ |
|---|------------------------|------------------|------|-------|------|------------------------------------|
| | | £ | % | £ | % | |
| Equities | 81,146,600 | 32,457 | 0.04 | 621 | 0.00 | 81,179,677 |
| Funds | 57,421,652 | – | 0.00 | – | 0.00 | 57,421,652 |
| Total sales after commission and tax | 138,568,252 | | | | | |

| | |
|---|-------|
| Commission as a % of average net assets | 0.03% |
| Taxes as a % of the average net assets | 0.00% |

30.04.23

| Analysis of purchases | Total purchase cost
£ | Commissions paid | | Taxes | | Purchases before transaction cost
£ |
|--|--------------------------|------------------|------|-------|------|--|
| | | £ | % | £ | % | |
| Equities | 112,127,090 | 44,833 | 0.04 | – | 0.00 | 112,082,257 |
| Funds | 20,933,458 | – | 0.00 | – | 0.00 | 20,933,458 |
| Total purchases after commissions and tax | 133,060,548 | | | | | |

| Analysis of sales | Net sale proceeds
£ | Commissions paid | | Taxes | | Sales before transaction cost
£ |
|---|------------------------|------------------|------|-------|------|------------------------------------|
| | | £ | % | £ | % | |
| Equities | 85,607,987 | 32,258 | 0.04 | 1,841 | 0.00 | 85,642,086 |
| Funds | 12,881,715 | – | 0.00 | – | 0.00 | 12,881,715 |
| Total sales after commission and tax | 98,489,702 | | | | | |

| | |
|---|-------|
| Commission as a % of average net assets | 0.03% |
| Taxes as a % of the average net assets | 0.00% |

Commissions and taxes as a % of the average net assets form part of the direct transaction costs stated within the comparative tables on pages 124 to 127. The direct transaction costs within the comparative tables may differ due to the effect of dilution levies charged (where applicable).

14. Portfolio Dealing Spread

The average portfolio dealing spread at 30 April 24 is 0.07% (2023: 0.03%).

MI Quilter Cheviot North American Equity Fund

Notes to the Financial Statements

continued

15. Post Balance Sheet Events

There were no notifiable events post the year end balance sheet date.

16. Fair Value Disclosure

| Valuation technique | 30.04.24 | | 30.04.23 | |
|------------------------|--------------------|------------------|--------------------|------------------|
| | Assets
£ | Liabilities
£ | Assets
£ | Liabilities
£ |
| Level 1 [^] | 519,048,507 | – | 318,259,480 | – |
| Level 2 ^{^^} | 10,200,904 | – | – | – |
| Level 3 ^{^^^} | – | – | – | – |
| | 529,249,411 | | 318,259,480 | – |

[^]Level 1: Unadjusted quoted price in an active market for an identical instrument.

^{^^}Level 2: Valuation techniques using observable inputs other than quoted prices within level 1.

^{^^^}Level 3: Valuation techniques using unobservable inputs.

17. Shares in Issue

| | A
Income
GBP | A
Accumulation
GBP | A
Accumulation
USD | B
Accumulation
GBP |
|---------------------------------|--------------------|--------------------------|--------------------------|--------------------------|
| Opening number of shares | 269,270,606 | 54,302,803 | – | 2,360,442 |
| Shares issued | 121,900,295 | 70,821,302 | 16,052,850 | 4,854,000 |
| Shares cancelled | (67,913,718) | (13,598,222) | (879,528) | (3,904,000) |
| Closing number of Shares | 323,257,183 | 111,525,883 | 15,173,322 | 3,310,442 |

| | B
Income
GBP |
|---------------------------------|--------------------|
| Opening number of shares | – |
| Shares issued | 40,676 |
| Shares cancelled | (40,676) |
| Closing number of Shares | – |

MI Quilter Cheviot North American Equity Fund

Distribution Tables

for the year ended 30 April 2024

Income share distributions

| Share class | Distribution | Shares | Net revenue | Equalisation | Distribution paid/payable 2024 | Distribution paid 2023 |
|---------------|----------------|----------------------|-------------|--------------|--------------------------------|------------------------|
| A Income | First interim | Group 1 | 0.3235p | – | 0.3235p | 0.3232p |
| | | Group 2 | 0.1308p | 0.1927p | 0.3235p | 0.3232p |
| | Second interim | Group 1 | 0.3153p | – | 0.3153p | 0.3151p |
| | | Group 2 | 0.0915p | 0.2238p | 0.3153p | 0.3151p |
| Third interim | Group 1 | 0.3824p | – | 0.3824p | 0.3261p | |
| | Group 2 | 0.1645p | 0.2179p | 0.3824p | 0.3261p | |
| Final | Group 1 | 0.3281p | – | 0.3281p | 0.2927p | |
| | Group 2 | 0.1244p | 0.2037p | 0.3281p | 0.2927p | |
| B Income* | First interim | Group 1 | 0.1299 | – | 0.1299 | n/a |
| | | Group 2 [^] | 0.1299 | – | 0.1299 | n/a |
| | Second interim | Group 1 | n/a | n/a | n/a | n/a |
| | | Group 2 | n/a | n/a | n/a | n/a |
| Third interim | Group 1 | n/a | n/a | n/a | n/a | |
| | Group 2 | n/a | n/a | n/a | n/a | |
| Final | Group 1 | n/a | n/a | n/a | n/a | |
| | Group 2 | n/a | n/a | n/a | n/a | |

Accumulation share distributions

| Share class | Distribution | Shares | Net revenue | Equalisation | Amount reinvested 2024 | Amount reinvested 2023 |
|----------------------|----------------------|----------------------|-------------|--------------|------------------------|------------------------|
| A Accumulation | First interim | Group 1 | 0.2945p | – | 0.2945p | 0.2868p |
| | | Group 2 | 0.1268p | 0.1677p | 0.2945p | 0.2868p |
| | Second interim | Group 1 | 0.2874p | – | 0.2874p | 0.2843p |
| | | Group 2 | 0.0713p | 0.2161p | 0.2874p | 0.2843p |
| Third interim | Group 1 | 0.3505p | – | 0.3505p | 0.2945p | |
| | Group 2 | 0.0993p | 0.2512p | 0.3505p | 0.2945p | |
| Final | Group 1 | 0.3015p | – | 0.3015p | 0.2648p | |
| | Group 2 | 0.1195p | 0.1820p | 0.3015p | 0.2648p | |
| A Accumulation USD** | First interim | Group 1 | – | – | – | n/a |
| | | Group 2 | – | – | – | n/a |
| | Second interim | Group 1 | – | – | – | n/a |
| | | Group 2 | – | – | – | n/a |
| Third interim | Group 1 | 0.0193\$c | – | 0.0193\$c | n/a | |
| | Group 2 [^] | 0.0193\$c | – | 0.0193\$c | n/a | |
| Final | Group 1 | 0.2836\$c | – | 0.2836\$c | n/a | |
| | Group 2 | 0.2413\$c | 0.0423\$c | 0.2836\$c | n/a | |
| B Accumulation*** | First interim | Group 1 | 0.1082p | – | 0.1082p | n/a |
| | | Group 2 | 0.0582p | 0.0500p | 0.1082p | n/a |
| | Second interim | Group 1 | 0.0950p | – | 0.0950p | n/a |
| | | Group 2 [^] | 0.0950p | – | 0.0950p | n/a |
| Third interim | Group 1 | – | – | – | n/a | |
| | Group 2 | – | – | – | n/a | |
| Final | Group 1 | – | – | – | n/a | |
| | Group 2 | – | – | – | n/a | |

MI Quilter Cheviot North American Equity Fund

Distribution Tables

continued

*Launched 9 May 2023 and dis-invested 18 September 2023

**Launched on 18 December 2023

***Launched on 5 April 2023

^No Group 2 shares held in this distribution period.

First interim period: 01.05.23 - 31.07.23

Second interim period: 01.08.23 - 31.10.23

Third interim period: 01.11.23 - 31.01.24

Final period: 01.02.24 - 30.04.24

Group 1: Shares purchased prior to a distribution period

Group 2: Shares purchased during a distribution period

Equalisation

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

Investment Objective and Policy

for the year ended 30 April 2024

Investment Objective

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

Investment Policy

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

The Sub-fund will invest at least 90% directly or indirectly, in shares of UK companies. The Sub-fund will typically invest at least 80% of the portfolio directly but at times, dependent on market conditions and the Investment Manager's view of the market, the direct exposure may be higher or lower than this but it is not expected to ever fall below 60%. UK companies are those that are domiciled, incorporated or have a significant portion of their business in the UK, even if listed elsewhere. No more than 20% of the Sub-fund will consist of shares of smaller companies.

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

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

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

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

Investment Manager's Report

for the year ended 30 April 2024

Market Commentary

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

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

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

While the large weighting to commodity and financials companies within the index was a key factor for the UK's outperformance of other regions in April, there has also recently been a growing trend of corporate activity in listed UK companies, prompted by the relatively inexpensive nature of the UK stock market and the discount on which many quality companies are trading versus their peers. This certainly prompts mixed feelings. While it can create opportunity for active managers and the possibility for sharp (and short-term) uplifts on the value of holdings, in the absence of a healthy initial public offering ('IPO') market it results in a diminishing opportunity

MI Quilter Cheviot UK Equity Fund

Investment Manager's Report

continued

set available to investors in the UK stock market. The loss of attractive long-term investment opportunities therefore further reduces the appeal of the index. In addition to outright bids, several companies have also decided to move their listing overseas, or announce that a move is under consideration, including some significant index heavyweights. As such, the dwindling nature of the UK stock market is an area very much in the spotlight, with a clear call to ensure the UK remains an attractive environment for companies to come to market.

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

Investment Review

During the one year period to 30 April 2024, the A Income Class returned 12.62%* in GBP terms, outperforming its comparator benchmark, the MSCI United Kingdom Index (net), which returned 7.66%~ in GBP terms.

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

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

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

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

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

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

Investment Manager's Report

continued

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

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

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

Outlook

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

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

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

~Source: Data provided by FactSet.

MI Quilter Cheviot UK Equity Fund

Portfolio Statement

as at 30 April 2024

| Holding | Security | Market value
£ | % of total
net assets
2024 |
|-----------|--|-------------------|----------------------------------|
| | TECHNOLOGY 2.49% (1.95%) | | |
| | Software and Computer Services 2.49% (1.95%) | | |
| 1,363,269 | Darktrace | 8,212,332 | 2.49 |
| | TELECOMMUNICATIONS 1.73% (1.94%) | | |
| | Telecommunications Service Providers 1.73% (1.94%) | | |
| 5,561,794 | BT | 5,706,401 | 1.73 |
| | HEALTHCARE 14.06% (11.35%) | | |
| | Pharmaceuticals and Biotechnology 14.06% (11.35%) | | |
| 253,412 | AstraZeneca | 30,561,487 | 9.27 |
| 574,830 | GSK | 9,614,032 | 2.91 |
| 1,825,175 | Haleon | 6,194,644 | 1.88 |
| | | 46,370,163 | 14.06 |
| | FINANCIALS 27.92% (30.07%) | | |
| | Banks 7.93% (8.49%) | | |
| 3,154,344 | Barclays | 6,393,855 | 1.94 |
| 1,894,748 | HSBC | 13,177,972 | 4.00 |
| 951,251 | Standard Chartered | 6,559,827 | 1.99 |
| | | 26,131,654 | 7.93 |
| | Finance and Credit Services 2.64% (1.93%) | | |
| 98,483 | London Stock Exchange | 8,709,837 | 2.64 |
| | Investment Banking and Brokerage Services 4.24% (4.23%) | | |
| 243,284 | 3i | 6,996,848 | 2.12 |
| 333,547 | Intermediate Capital | 6,997,816 | 2.12 |
| | | 13,994,664 | 4.24 |
| | Open-Ended and Miscellaneous Investment Vehicles 9.50% (11.53%) | | |
| 410,904 | FTF Franklin UK Smaller Companies - S Income* | 3,106,020 | 0.94 |
| 409,253 | iShares Core FTSE 100 UCITS ETF - GBP Distributing | 3,260,928 | 0.99 |
| 273,430 | Janus Henderson UK Smaller Companies - I Accumulation* | 2,764,377 | 0.84 |
| 716,859 | Vanguard FTSE 250 UCITS ETF - GBP Distributing | 22,201,123 | 6.73 |
| | | 31,332,448 | 9.50 |
| | Life Insurance 3.61% (3.89%) | | |
| 2,523,951 | Legal and General | 5,956,524 | 1.81 |
| 847,717 | Prudential | 5,940,801 | 1.80 |
| | | 11,897,325 | 3.61 |
| | REAL ESTATE 1.88% (2.13%) | | |
| | Real Estate Investment Trusts 1.88% (2.13%) | | |
| 729,188 | SEGRO | 6,183,514 | 1.88 |
| | CONSUMER DISCRETIONARY 9.55% (8.94%) | | |
| | Automobiles and Parts 0.00% (0.57%) | | |
| | Consumer Services 2.92% (1.88%) | | |
| 430,788 | Compass | 9,610,880 | 2.92 |

Portfolio Statement

continued

| Holding | Security | Market value
£ | % of total
net assets
2024 |
|-----------|---|-------------------|----------------------------------|
| | Household Goods and Home Construction 0.00% (0.92%) | | |
| | Media 3.73% (1.76%) | | |
| 371,855 | RELX | 12,282,371 | 3.73 |
| | Retailers 1.00% (1.74%) | | |
| 2,855,206 | JD Sports Fashion | 3,300,618 | 1.00 |
| | Travel and Leisure 1.90% (2.07%) | | |
| 198,009 | Whitbread | 6,268,965 | 1.90 |
| | CONSUMER STAPLES 9.66% (10.21%) | | |
| | Beverages 3.76% (3.68%) | | |
| 446,893 | Diageo | 12,401,281 | 3.76 |
| | Tobacco 2.91% (2.75%) | | |
| 407,985 | British American Tobacco | 9,591,727 | 2.91 |
| | Personal Care, Drug and Grocery Stores 2.99% (3.78%) | | |
| 237,825 | Unilever | 9,841,198 | 2.99 |
| | INDUSTRIALS 11.76% (10.33%) | | |
| | Aerospace and Defense 3.77% (1.75%) | | |
| 439,199 | BAE Systems | 5,854,523 | 1.77 |
| 1,041,685 | Melrose Industries | 6,581,366 | 2.00 |
| | | 12,435,889 | 3.77 |
| | Electronic and Electrical Equipment 2.67% (2.98%) | | |
| 128,950 | Halma | 2,845,927 | 0.86 |
| 340,932 | IMI | 5,973,129 | 1.81 |
| | | 8,819,056 | 2.67 |
| | General Industrials 1.70% (1.72%) | | |
| 1,602,599 | DS Smith | 5,615,507 | 1.70 |
| | Industrial Support Services 1.81% (1.96%) | | |
| 183,706 | Experian | 5,959,423 | 1.81 |
| | Industrial Transportation 1.81% (1.92%) | | |
| 102,286 | Ashtead | 5,975,548 | 1.81 |
| | BASIC MATERIALS 6.58% (6.88%) | | |
| | Industrial Metals and Mining 6.58% (6.88%) | | |
| 315,013 | Anglo American | 8,297,442 | 2.52 |
| 244,496 | Rio Tinto | 13,373,931 | 4.06 |
| | | 21,671,373 | 6.58 |
| | ENERGY 10.74% (11.62%) | | |
| | Oil, Gas and Coal 10.74% (11.62%) | | |
| 1,750,940 | BP | 9,111,892 | 2.76 |
| 918,997 | Shell | 26,310,884 | 7.98 |
| | | 35,422,776 | 10.74 |

MI Quilter Cheviot UK Equity Fund

Portfolio Statement

continued

| | | Market
value
£ | % of total
net assets
2024 |
|--------------------------|--|----------------------|----------------------------------|
| Holding | Security | | |
| | UTILITIES 1.82% (1.93%) | | |
| | Gas, Water and Multi-utilities 1.82% (1.93%) | | |
| 359,494 | SSE | 5,990,968 | 1.82 |
| Investment assets | | 323,725,918 | 98.19 |
| Net other assets | | 5,959,693 | 1.81 |
| Net assets | | 329,685,611 | 100.00 |

All investments are ordinary shares or stock units on a regulated securities market unless otherwise stated. The percentages in brackets show the equivalent % holdings as at 30.04.23.

*Collective Investment Schemes permitted under COLL, not listed on any exchange.

Comparative Tables

Change in net assets per share

| A Income~ | 30.04.24
p | 30.04.23
p | 30.04.22
p |
|--|---------------|---------------|---------------------|
| Opening net asset value per share | 101.49 | 98.83 | 100.00 [†] |
| Return before operating charges [^] | 11.04 | 6.18 | 0.64 |
| Operating charges | -0.12 | -0.13 | -0.09 |
| Return after operating charges [^] | 10.92 | 6.05 | 0.55 ^{^^} |
| Distributions | -3.42 | -3.39 | -1.62 |
| Closing net asset value per share | 108.99 | 101.49 | 98.83 |
| [^] After direct transaction costs of | -0.17 | -0.18 | -0.68 |
| Performance | | | |
| Return after charges | 10.76% | 6.12% | 0.55% |
| Other information | | | |
| Closing net asset value | £231,828,517 | £205,135,289 | £173,293,803 |
| Closing number of shares | 212,699,060 | 202,122,381 | 175,164,987 |
| Operating charges | 0.12% | 0.13% | 0.09% |
| Ongoing operating charges* | 0.12% | 0.13% | 0.14% |
| Direct transaction costs | 0.17% | 0.18% | 0.67% |
| Prices | | | |
| Highest share price | 110.50 | 105.12 | 105.10 |
| Lowest share price | 95.38 | 88.94 | 92.44 |

| A Accumulation~~ | 30.04.24
p | 30.04.23
p | 30.04.22
p |
|--|---------------|---------------|---------------------|
| Opening net asset value per share | 105.47 | 99.15 | 100.00 [†] |
| Return before operating charges [^] | 11.78 | 6.45 | -0.76 |
| Operating charges | -0.13 | -0.13 | -0.09 |
| Return after operating charges [^] | 11.65 | 6.32 | -0.85 |
| Distributions | -3.59 | -3.45 | -1.40 |
| Retained distributions on accumulation shares | 3.59 | 3.45 | 1.40 |
| Closing net asset value per share | 117.12 | 105.47 | 99.15 |
| [^] After direct transaction costs of | -0.18 | -0.18 | -0.67 |
| Performance | | | |
| Return after charges | 11.05% | 6.37% | -0.85% |
| Other information | | | |
| Closing net asset value | £97,857,006 | £58,615,793 | £1,718,380 |
| Closing number of shares | 83,553,912 | 55,574,074 | 1,733,153 |
| Operating charges | 0.12% | 0.13% | 0.09% |
| Ongoing operating charges* | 0.12% | 0.13% | 0.14% |
| Direct transaction costs | 0.17% | 0.18% | 0.67% |
| Prices | | | |
| Highest share price | 117.52 | 107.70 | 103.65 |
| Lowest share price | 99.13 | 89.66 | 91.51 |

~A Income share class launched on 30 September 2021.

~~A Accumulation share class launched on 13 December 2021.

[†]Launch Price.

^{^^}A Income return after charges for the period 13 December 2021 to 30 April 2022 was -0.85%.

MI Quilter Cheviot UK Equity Fund

Comparative Tables

continued

| B Income~~~ | 30.04.24
p |
|--|-----------------------|
| Opening net asset value per share | 100.00 [†] |
| Return before operating charges [^] | -1.41 |
| Operating charges | -0.32 |
| Return after operating charges [^] | -1.73 |
| Redemption payment | -97.84 |
| Distributions | -0.43 |
| Closing net asset value per share | 0.00 |
| [^] After direct transaction costs of | -0.17 |
| Performance | |
| Return after charges | -1.73% |
| Other information | |
| Closing net asset value | £0 |
| Closing number of shares | 0 |
| Operating charges | 0.32% |
| Ongoing operating charges* | 0.32% |
| Direct transaction costs | 0.17% |
| Prices | |
| Highest share price | 101.56 |
| Lowest share price | 94.76 |

| B Accumulation~~~~ | 30.04.24
p |
|--|-----------------------|
| Opening net asset value per share | 100.00 [†] |
| Return before operating charges [^] | 4.23 |
| Operating charges | -0.30 |
| Return after operating charges [^] | 3.93 |
| Distributions | 0.17 |
| Retained distributions on accumulation shares | 0.17 |
| Closing net asset value per share | 103.93 |
| [^] After direct transaction costs of | 0.00 |
| Performance | |
| Return after charges | 3.93% |
| Other information | |
| Closing net asset value | £88 |
| Closing number of shares | 85 |
| Operating charges | 0.12% |
| Ongoing operating charges* | 0.32% |
| Direct transaction costs | 0.17% |
| Prices | |
| Highest share price | 104.28 |
| Lowest share price | 99.84 |

[†]Launch Price.

~~~B Income share class launched on 9 May 2023 and dis-invested 8 August 2023.

~~~~B Accumulation share class launched on 17 April 2024.

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

*The Net Asset Value ('NAV') of the Sub-fund has increased by more than 10% if compared to the average Net Asset Values for the year. Taking an average of the daily NAV for the last month of the year has the no overall effect on the operating charges. The Investment Manager has waived the Investment Manager's fee on the B Accumulation share class until further investment is received. This will increase the operating charges by 0.20%. The ACD believes this to be more representative of the charges going forward.

Comparative Tables

continued

The return after charges is calculated as the closing Net Asset Value per share plus the distributions on income shares minus the opening Net Asset Value per share as a % of the opening Net Asset Value per share. The basis of valuation of investments used to calculate Net Asset Value per share is described in notes to the Financial Statements 1h) and complies with requirements of the current Statement of Recommended Practice for Financial Statements of UK Authorised Funds. This differs from the basis used to calculate daily published single prices, in which listed investments are valued at 12:00 mid prices.

Direct transaction costs include fees, commissions, transfer taxes and duties in the purchasing and selling of investments, which are offset (where applicable) against any dilution levies charged within the accounting year. The figures used within the table have been calculated against the average Net Asset Value for the accounting year.

Risk and Reward Profile

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



The Sub-fund is ranked at 6 because funds of this type have experienced high rises and falls in value in the past. Please note that even the lowest risk class can lose you money and that extreme market circumstances can mean you suffer severe losses in all cases. The indicator does not take into account the following risks of investing in this Sub-fund:

- Investing in other funds may expose investors to increased risk due to less strict regulations and the use of derivatives. These other funds can themselves invest into assets such as bonds, company shares, cash and currencies. The objectives and risk profiles of these underlying funds may not be fully in line with those of this Sub-fund.
- In difficult market conditions, the value of some investments may be less predictable than normal and the Sub-fund may not be able to buy and sell these investments at the best time or at a fair price. This could affect the Sub-fund's performance, potentially reducing your returns.
- For further risk information please see the Prospectus.

Risk warning

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

MI Quilter Cheviot UK Equity Fund

Statement of Total Return

for the year ended 30 April 2024

| | Note | £ | 30.04.24
£ | £ | 30.04.23
£ |
|---|------|-----------|-------------------|-----------|-------------------|
| Income | | | | | |
| Net capital gains | 2 | | 21,772,634 | | 8,972,934 |
| Revenue | 3 | 9,234,850 | | 7,620,869 | |
| Expenses | 4 | (284,598) | | (244,614) | |
| Interest payable and similar charges | 4 | – | | (282) | |
| Net revenue before taxation | | 8,950,252 | | 7,375,973 | |
| Taxation | 5 | – | | – | |
| Net revenue after taxation | | | 8,950,252 | | 7,375,973 |
| Total return before distributions | | | 30,722,886 | | 16,348,907 |
| Distributions | 6 | | (8,950,342) | | (7,375,937) |
| Change in net assets attributable to Shareholders from investment activities | | | 21,772,544 | | 8,972,970 |

Statement of Change in Net Assets Attributable to Shareholders

for the year ended 30 April 2024

| | £ | 30.04.24
£ | £ | 30.04.23
£ |
|--|--------------|--------------------|--------------|--------------------|
| Opening net assets attributable to Shareholders | | 263,751,082 | | 175,012,183 |
| Amounts receivable on issue of shares | 133,543,814 | | 116,729,711 | |
| Dilution levy | – | | 154,924 | |
| Less: Amounts payable on cancellation of shares | (91,807,210) | | (38,145,037) | |
| | | 41,736,604 | | 78,739,598 |
| Change in net assets attributable to Shareholders from investment activities (see Statement of Total Return above) | | 21,772,544 | | 8,972,970 |
| Retained distributions on accumulation shares | | 2,425,381 | | 1,026,331 |
| Closing net assets attributable to Shareholders | | 329,685,611 | | 263,751,082 |

The notes on pages 150 to 156 form an integral part of these Financial Statements.

Balance Sheet

as at 30 April 2024

| | Note | £ | 30.04.24 | £ | 30.04.23 | £ |
|--|------|-------------|--------------------|-------------|--------------------|---|
| ASSETS | | | | | | |
| Fixed assets | | | | | | |
| Investments | | | 323,725,918 | | 256,756,518 | |
| Current assets | | | | | | |
| Debtors | 7 | 3,384,012 | | 2,697,925 | | |
| Cash and bank balances | 9 | 6,037,775 | | 7,675,673 | | |
| Total current assets | | | 9,421,787 | | 10,373,598 | |
| Total assets | | | 333,147,705 | | 267,130,116 | |
| LIABILITIES | | | | | | |
| Creditors | | | | | | |
| Distribution payable | | (2,402,010) | | (2,552,604) | | |
| Other creditors | 8 | (1,060,084) | | (826,430) | | |
| Total creditors | | | (3,462,094) | | (3,379,034) | |
| Total liabilities | | | (3,462,094) | | (3,379,034) | |
| Net assets attributable to Shareholders | | | 329,685,611 | | 263,751,082 | |

The notes on pages 150 to 156 form an integral part of these Financial Statements.

MI Quilter Cheviot UK Equity Fund

Notes to the Financial Statements

for the year ended 30 April 2024

1. Accounting Policies

The Sub-fund's Financial Statements have been prepared on the same basis as the Accounting Policies stated on pages 8 and 9.

2. Net Capital Gains[^]

| | Realised
£ | 30.04.24
Unrealised
£ | Total
£ |
|---------------------------|----------------|-----------------------------|-------------------|
| Non-derivative securities | 492,321 | 21,288,187 | 21,780,508 |
| Transaction charges | (7,874) | – | (7,874) |
| Net capital gains | 484,447 | 21,288,187 | 21,772,634 |

| | Realised
£ | 30.04.23
Unrealised
£ | Total
£ |
|---------------------------|--------------------|-----------------------------|------------------|
| Non-derivative securities | (5,319,590) | 14,303,100 | 8,983,510 |
| Transaction charges | (10,576) | – | (10,576) |
| Net capital gains | (5,330,166) | 14,303,100 | 8,972,934 |

[^]Where realised gains/losses include gains/losses arising in prior years, a corresponding loss/gain is included within the unrealised gains/loss presented.

3. Revenue

| | 30.04.24
£ | 30.04.23
£ |
|---|------------------|------------------|
| UK dividends: Ordinary | 8,094,862 | 7,017,086 |
| Property Income Distributions | 204,753 | – |
| Distributions from Regulated Collective Investment Schemes: | | |
| Franked investment income | 720,348 | 558,023 |
| Bank interest | 214,887 | 45,760 |
| Total revenue | 9,234,850 | 7,620,869 |

4. Expenses

| | 30.04.24
£ | 30.04.23
£ |
|---|---------------|---------------|
| Payable to the Authorised Corporate Director ('ACD'), associates of the ACD and agents of either of them: | | |
| ACD's fee | 62,170 | 52,847 |
| Administration fees | 88,526 | 74,078 |
| Registration fees | 73,948 | 63,467 |
| | 224,644 | 190,392 |
| Payable to the Investment Manager, associates of the Investment Manager and agents of either of them: | | |
| Investment Manager's fee | 73 | – |
| Payable to the Depositary, associates of the Depositary and agents of either of them: | | |
| Depositary's fee (including VAT) | 24,239 | 21,669 |
| Safe custody and other bank charges | 13,480 | 10,031 |
| | 37,719 | 31,700 |

Notes to the Financial Statements

continued

4. Expenses (continued)

| | 30.04.24
£ | 30.04.23
£ |
|--------------------------------------|----------------------|----------------------|
| Auditor's remuneration*: | | |
| Audit fee | 10,870 | 10,065 |
| Tax Compliance services | 2,349 | 2,163 |
| | <hr/> 13,219 | <hr/> 12,228 |
| Other expenses: | | |
| Legal fees | 7,152 | 10,406 |
| Printing costs | 1,791 | (112) |
| | <hr/> 8,943 | <hr/> 10,294 |
| Expenses | <hr/> 284,598 | <hr/> 244,614 |
| Interest payable and similar charges | – | 282 |
| Total | <hr/> 284,598 | <hr/> 244,896 |

*Included within the auditor's remuneration is irrecoverable VAT of £2,203 (2023: £2,038).

5. Taxation

| | 30.04.24
£ | 30.04.23
£ |
|---|---------------|---------------|
| (a) Analysis of charge in the year: | | |
| Income tax recoverable | – | – |
| Total tax charge (note 5b) | <hr/> – | <hr/> – |
| (b) Factors affecting taxation charge for the year: | | |
| Net revenue before taxation | 8,950,252 | 7,375,973 |
| Corporation tax at 20% | 1,790,050 | 1,475,195 |
| Effects of: | | |
| UK dividends | (1,763,042) | (1,515,022) |
| Movement in surplus management expenses | (27,008) | 39,827 |
| Total tax charge (note 5a) | <hr/> – | <hr/> – |

(c) Deferred tax

At the period end there is a potential deferred tax asset of £16,012 (2023: £43,020) in relation to surplus management expenses of £80,060 (2023: £215,100). It is unlikely that the Sub-fund will generate sufficient taxable profits in the future to utilise these expenses and therefore no deferred tax asset has been recognised in the year.

MI Quilter Cheviot UK Equity Fund

Notes to the Financial Statements

continued

6. Distributions

The distributions take account of revenue received on the issue of shares and revenue deducted on the cancellation of shares, and comprise:

| | | 30.04.24 | 30.04.23 |
|---|----------|------------------|------------------|
| | | £ | £ |
| First interim distribution | 31.07.23 | 1,552,496 | 1,184,740 |
| Second interim distribution | 31.10.23 | 2,458,711 | 2,410,161 |
| Third interim distribution | 31.01.24 | 1,707,732 | 1,063,196 |
| Final distribution | 30.04.24 | 3,404,658 | 3,270,343 |
| | | 9,123,597 | 7,928,440 |
| Revenue deducted on cancellation of shares | | 552,313 | 208,294 |
| Revenue received on issue of shares | | (725,568) | (760,797) |
| Distributions | | 8,950,342 | 7,375,937 |
| Reconciliation of net revenue after taxation to net distributions: | | | |
| Net revenue after taxation per Statement of Total Return | | 8,950,252 | 7,375,973 |
| Undistributed revenue brought forward | | 181 | 145 |
| Undistributed revenue carried forward | | (91) | (181) |
| Distributions | | 8,950,342 | 7,375,937 |

7. Debtors

| | | 30.04.24 | 30.04.23 |
|------------------------------|--|------------------|------------------|
| | | £ | £ |
| Amounts receivable on issues | | 2,031,710 | 1,537,025 |
| Accrued income: | | | |
| Dividends receivable | | 1,343,863 | 1,150,827 |
| UK income tax recoverable | | 8,439 | 8,439 |
| Prepaid expenses: | | | |
| Legal fees | | – | 1,634 |
| Total debtors | | 3,384,012 | 2,697,925 |

8. Other Creditors

| | | 30.04.24 | 30.04.23 |
|---|--|-----------------|-----------------|
| | | £ | £ |
| Amounts payable on cancellations | | 1,013,598 | 786,708 |
| Accrued expenses: | | | |
| Amounts payable to the Authorised Corporate Director ('ACD'), associates of the ACD and agents of either of them: | | | |
| ACD's fee | | 6,015 | 5,346 |
| Administration fee | | 8,643 | 7,563 |
| Registration fees | | 7,601 | 5,721 |
| | | 22,259 | 18,630 |

Notes to the Financial Statements

continued

8. Other Creditors (continued)

| | 30.04.24
£ | 30.04.23
£ |
|---|------------------|----------------|
| Amounts payable to the Depositary, associates of the Depositary and agents of either of them: | | |
| Depositary's fee (including VAT) | 6,155 | 4,114 |
| Safe custody and other bank charges | 3,646 | 2,014 |
| | 9,801 | 6,128 |
| Other expenses: | | |
| Auditor's remuneration*: | | |
| Audit fee | 10,870 | 10,065 |
| Tax compliance services | 2,349 | 4,140 |
| | 13,219 | 14,205 |
| Other accrued expenses: | | |
| Legal fees | 373 | – |
| Printing costs | 834 | 759 |
| | 1,207 | 759 |
| Total other creditors | 1,060,084 | 826,430 |

*Included within the auditor's remuneration is irrecoverable VAT of £2,203 (2023: £2,368).

9. Cash and Bank Balances

| | 30.04.24
£ | 30.04.23
£ |
|-------------------------------|------------------|------------------|
| Cash and bank balances | 6,037,775 | 7,675,673 |
| Cash and bank balances | 6,037,775 | 7,675,673 |

10. Related Party Transactions

Apex Fundrock Limited ('AFL') is regarded as a related party by virtue of having the ability to act in respect of the operations of the Sub-fund in its capacity as the Authorised Corporate Director ('ACD').

ACD and other fees payable to AFL are disclosed in note 4 and amounts due at the year end are shown in note 8.

Fees payable to Quilter Cheviot Limited (the 'Investment Manager') are disclosed in note 4 and amounts due at the year end are shown in note 8.

Amounts receivable on issue and payable on cancellation of shares and dilution levy are disclosed in the Statement of Change in Net Assets Attributable to Shareholders and in note 6, amounts due at the year end are shown in notes 7 and 8.

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

11. Contingent Liabilities and Outstanding Commitments

There were no contingent liabilities or outstanding commitments at the balance sheet date (2023: none).

MI Quilter Cheviot UK Equity Fund

Notes to the Financial Statements

continued

12. Risk Management Policies and Disclosures

The main risks arising from financial instruments and the ACD's policies for managing these risks are disclosed in note 2 on pages 9 to 11.

Numerical disclosures relating to the Sub-fund are as follows:

Disclosure of VaR limit

| | 30.04.24 | Utilisation of | 30.04.23 | Utilisation of |
|--------------------|-----------------|-----------------------|-----------------|-----------------------|
| | % of VaR | VaR (*) 20% | % of VaR | VaR (*) 20% |
| VaR at period end: | 10.76 | 53.80 | 14.43 | 72.15 |
| Minimum VaR: | 10.66 | 53.30 | 12.56 | 62.80 |
| Maximum VaR: | 14.59 | 72.95 | 14.73 | 73.65 |
| Average VaR: | 13.23 | 66.15 | 13.90 | 69.50 |

*The VaR on the Sub-fund has been divided by its maximum limit.

Currency risk

The majority of the Sub-fund's assets comprise of investments and cash denominated in Sterling. As a result, the income and capital value of the Sub-fund are not affected by currency movements.

There is no material direct foreign currency exposure in the Sub-fund (2023: same).

Notes to the Financial Statements

continued

13. Portfolio Transaction Costs

30.04.24

| Analysis of purchases | Total purchase cost
£ | Commissions paid | | £ | Taxes | | Purchases before transaction cost
£ |
|--|--------------------------|------------------|------|---------|-------|-------------|--|
| | | £ | % | | £ | % | |
| Equities | 128,550,539 | – | 0.00 | 460,497 | 0.36 | 128,090,042 | |
| Funds | 3,259,506 | – | 0.00 | – | 0.00 | 3,259,506 | |
| Total purchases after commissions and tax | 131,810,045 | | | | | | |

| Analysis of sales | Net sale proceeds
£ | Commissions paid | | £ | Taxes | | Sales before transaction cost
£ |
|--|------------------------|------------------|------|----|-------|------------|------------------------------------|
| | | £ | % | | £ | % | |
| Equities | 86,628,268 | – | 0.00 | 33 | 0.00 | 86,628,301 | |
| Total sales after commissions and tax | 86,628,268 | | | | | | |
| Commission as a % of average net assets | 0.00% | | | | | | |
| Taxes as a % of the average net assets | 0.17% | | | | | | |

30.04.23

| Analysis of purchases | Total purchase cost
£ | Commissions paid | | £ | Taxes | | Purchases before transaction cost
£ |
|--|--------------------------|------------------|------|---------|-------|-------------|--|
| | | £ | % | | £ | % | |
| Equities | 110,550,555 | – | 0.00 | 540,048 | 0.49 | 110,010,507 | |
| Funds | 31,366,211 | – | 0.00 | – | 0.00 | 31,366,211 | |
| Total purchases after commissions and tax | 141,916,766 | | | | | | |

| Analysis of sales | Net sale proceeds
£ | Commissions paid | | £ | Taxes | | Sales before transaction cost
£ |
|--|------------------------|------------------|------|----|-------|------------|------------------------------------|
| | | £ | % | | £ | % | |
| Equities | 48,200,766 | – | 0.00 | 24 | 0.00 | 48,200,790 | |
| Funds | 15,592,078 | – | 0.00 | – | 0.00 | 15,592,078 | |
| Total sales after commissions and tax | 63,792,844 | | | | | | |
| Commission as a % of average net assets | 0.00% | | | | | | |
| Taxes as a % of the average net assets | 0.25% | | | | | | |

Commissions and taxes as a % of the average net assets form part of the direct transaction costs stated within the comparative tables on pages 145 to 147. The direct transaction costs within the comparative tables may differ due to the effect of dilution levies charged (where applicable).

14. Portfolio Dealing Spread

The average portfolio dealing spread at 30 April 2024 is 0.05% (2023: 0.01%).

MI Quilter Cheviot UK Equity Fund

Notes to the Financial Statements

continued

15. Post Balance Sheet Events

There were no notifiable events post the year end balance sheet date.

16. Fair Value Disclosure

| Valuation technique | 30.04.24 | | 30.04.23 | |
|------------------------|--------------------|------------------|--------------------|------------------|
| | Assets
£ | Liabilities
£ | Assets
£ | Liabilities
£ |
| Level 1 [^] | 317,855,521 | – | 254,332,669 | – |
| Level 2 ^{^^} | 5,870,397 | – | 2,423,853 | – |
| Level 3 ^{^^^} | – | – | – | – |
| | 323,725,918 | – | 256,756,518 | – |

[^]Level 1: Unadjusted quoted price in an active market for an identical instrument.

^{^^}Level 2: Valuation techniques using observable inputs other than quoted prices within level 1.

^{^^^}Level 3: Valuation techniques using unobservable inputs.

17. Shares in Issue

| | A
Income
GBP | A
Accumulation
GBP | B
Income
GBP | B
Accumulation
GBP |
|---------------------------------|--------------------|--------------------------|--------------------|--------------------------|
| Opening number of shares | 202,122,381 | 55,574,074 | – | – |
| Shares issued | 79,029,085 | 50,368,657 | – | 85 |
| Shares cancelled | (68,415,343) | (22,388,819) | (37,259) | – |
| Shares converted | (37,063) | – | 37,259 | – |
| Closing number of shares | 212,699,060 | 83,553,912 | – | 85 |

Distribution Tables

for the year ended 30 April 2024

Income share distributions

| Share class | Distribution | Shares | Net revenue
p | Equalisation
p | Distribution paid/payable
2024
p | Distribution paid
2023
p |
|-------------|----------------|----------------------|------------------|-------------------|--|--------------------------------|
| A Income | First interim | Group 1 | 0.6128 | – | 0.6128 | 0.5645 |
| | | Group 2 | 0.2258 | 0.3870 | 0.6128 | 0.5645 |
| | Second interim | Group 1 | 1.0137 | – | 1.0137 | 1.0934 |
| | | Group 2 | 0.2217 | 0.7920 | 1.0137 | 1.0934 |
| | Third interim | Group 1 | 0.6620 | – | 0.6620 | 0.4729 |
| | | Group 2 | 0.2471 | 0.4149 | 0.6620 | 0.4729 |
| | Final | Group 1 | 1.1293 | – | 1.1293 | 1.2629 |
| | | Group 2 | 0.4941 | 0.6352 | 1.1293 | 1.2629 |
| B Income* | First interim | Group 1 | 0.4266 | – | 0.4266 | n/a |
| | | Group 2 [^] | 0.4266 | – | 0.4266 | n/a |
| | Second interim | Group 1 | n/a | n/a | n/a | n/a |
| | | Group 2 | n/a | n/a | n/a | n/a |
| | Third interim | Group 1 | n/a | n/a | n/a | n/a |
| | | Group 2 | n/a | n/a | n/a | n/a |
| | Final | Group 1 | n/a | n/a | n/a | n/a |
| | | Group 2 | n/a | n/a | n/a | n/a |

Accumulation share distributions

| Share class | Distribution | Shares | Net revenue
p | Equalisation
p | Amount reinvested
2024
p | Amount reinvested
2023
p |
|------------------|----------------|----------------------|------------------|-------------------|--------------------------------|--------------------------------|
| A Accumulation | First interim | Group 1 | 0.6365 | – | 0.6365 | 0.5669 |
| | | Group 2 | 0.2738 | 0.3627 | 0.6365 | 0.5669 |
| | Second interim | Group 1 | 1.0603 | – | 1.0603 | 1.1024 |
| | | Group 2 | 0.2003 | 0.8600 | 1.0603 | 1.1024 |
| | Third interim | Group 1 | 0.6979 | – | 0.6979 | 0.4845 |
| | | Group 2 | 0.1723 | 0.5256 | 0.6979 | 0.4845 |
| | Final | Group 1 | 1.2000 | – | 1.2000 | 1.2915 |
| | | Group 2 | 0.6965 | 0.5035 | 1.2000 | 1.2915 |
| B Accumulation** | First interim | Group 1 | n/a | n/a | n/a | n/a |
| | | Group 2 | n/a | n/a | n/a | n/a |
| | Second interim | Group 1 | n/a | n/a | n/a | n/a |
| | | Group 2 | n/a | n/a | n/a | n/a |
| | Third interim | Group 1 | n/a | n/a | n/a | n/a |
| | | Group 2 | n/a | n/a | n/a | n/a |
| | Final | Group 1 | 0.1667 | – | 0.1667 | n/a |
| | | Group 2 [^] | 0.1667 | – | 0.1667 | n/a |

*Launched on 9 May 2023 and was dis-invested on 8 August 2023

**Launched on 17 April 2024

[^]No group 2 shares held in this distribution period.

MI Quilter Cheviot UK Equity Fund

Distribution Tables

continued

| | |
|------------------------|---------------------|
| First interim period: | 01.05.23 - 31.07.23 |
| Second interim period: | 01.08.23 - 31.10.23 |
| Third interim period: | 01.11.23 - 31.01.24 |
| Final period: | 01.02.24 - 30.04.24 |

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

Equalisation

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

General Information

Authorised Status

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

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

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

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

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

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

Head Office

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

Address for Service

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

Base Currency

The base currency of the Company is Pounds Sterling.

Share Capital

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

Classes of Shares

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

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

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

*These share classes have no investment at the date of this report.

MI Quilter Cheviot Investment Funds

General Information

continued

On 9 May 2023, the Company launched a new share class, B Income, into the following Sub-funds:

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

On 27 December 2023, the Company launched a new share class, A accumulation USD into MI Quilter Cheviot North American Equity Fund.

The Company may issue both Income and Accumulation Shares.

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

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

Valuation Point

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

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

Buying, Redeeming and Switching of Shares

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

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

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

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

Pricing Basis

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

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

Other Information

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

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

Significant Information

Effective 13 July 2023 Maitland Institutional Services Limited changed name to Apex Fundrock Limited.

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

General Information

continued

Task Force on Climate-Related Financial Disclosures (TCFD)

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

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

ACD Value Assessment

The ACD is required to provide an annual statement for the Company, attesting that in the opinion of the ACD the services provided to the Company and any fees chargeable to the scheme property represent value for money, taking into account the following criteria as set out by the Regulator under COLL 6.6.20R:

- Quality of Service
- Performance
- Economies of Scale
- Comparable Services and Market Rates
- Classes of shares

This statement references services provided directly by the ACD and those services delegated by the ACD to third parties such as, but not limited to, investment management, depositary services, custody and settlement, audit provision, legal services, printing services, KIID production and maintenance, and other costs as may be set out or allowable in the scheme documentation.

The ACD Value Assessment is published on the Apex Fundrock website.

Remuneration of the Authorised Corporate Director

The ACD is subject to a remuneration policy which meets the requirements of the Alternative Investment Fund Managers Directive (AIFMD) as set out in SYSC 19B of the FCA Handbook.

The policy is designed to ensure practices for employee remuneration are consistent with, and promote, sound and effective risk management. It does not encourage risk-taking which is inconsistent with the risk profiles, rules or instrument of incorporation of the funds managed, and does not impair the ACD's compliance with its duty to act in the best interests of the funds it manages.

The ACD has reviewed the Remuneration Policy and its application in the last year which has resulted in no material changes to the policy or irregularities to process.

This disclosure does not include portfolio management activities as these are undertaken by various third party investment managers appointed by the ACD. The Investment Manager is required to make separate public disclosure as part of their obligations under the Capital Requirements Directive.

The ACD is required to disclose the total remuneration it pays to its staff during the financial year of the Company, split into fixed and variable remuneration, with separate aggregate disclosure for staff whose actions may have a material impact to the risk profile of a Sub-fund or the ACD itself. This includes executives, senior risk and compliance staff and certain senior managers.

| 30.04.24 | Number of Beneficiaries | Fixed Remuneration | Variable Remuneration Paid | Total |
|--|-------------------------|--------------------|----------------------------|------------|
| Total remuneration paid by the ACD during the year | 17 | £1,529,000 | £285,000 | £1,814,000 |
| Remuneration paid to employees of the ACD who have material impact on the risk profile of the Fund | 6 | £745,000 | £139,000 | £884,000 |

Further information is available in the ACD's Remuneration Policy Statement which can be obtained from www.fundrock.com or, on request free of charge, by writing to the registered office of the ACD.

MI Quilter Cheviot Investment Funds

General Information

continued

Risk Warning

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

