



MI Charles Stanley Investment Funds

Interim Report 30 September 2023

MI Charles Stanley Investment Funds

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Authorised Corporate Director ('ACD') & Registrar

Apex Fundrock Limited (formerly Maitland Institutional Services 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 308 1456
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Directors of the Authorised Corporate Director

A.C. Deptford
P.J. Foley-Brickley
I.T. Oddy (appointed 9 June 2023)
C. O'Keeffe
D. Phillips (Non-Executive Director)
J. Thompson (Non-Executive Director)

Investment Manager

Charles Stanley & Co Limited
55 Bishopsgate, London EC2N 3AS
(Authorised and regulated by the Financial Conduct Authority)

Depositary

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

Independent Auditor

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

MI Charles Stanley Investment Funds

Basis of Accounting

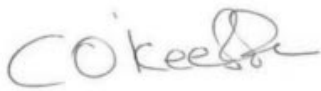
The interim financial statements have been prepared under the historical cost basis, as modified by the revaluation of investments and in accordance with FRS 102 and the Statement of Recommended Practice ('SORP') for Financial Statements of UK Authorised Funds issued by the Investment Association ('IA')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

The interim financial statements have been prepared on the same basis as the audited financial statements for the year ended 31 March 2023.

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

Certification of the Interim Report by the Authorised Corporate Director

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



C. O'Keeffe

P.J. Foley-Brickley

Directors

Apex Fundrock Limited

29 November 2023

Investment Objective and Policy

for the period ended 30 September 2023

Investment objective

The Sub-fund will aim to achieve a combination of capital growth and income over the medium to long-term.

The Sub-fund will aim for gross returns over an entire market cycle (5 years) in excess of 1% + inflation (as currently measured by the Consumer Price Index). There is no guarantee that this return will be achieved over that, or any, time period, and investors should note that capital is at risk.

Investment policy

The Sub-fund will adopt a global multi asset approach which is neither constrained by a formal benchmark nor by geographic region and will be constructed with diversified exposure to various asset classes selected from the following: equities, fixed income, real estate, alternatives, currencies, commodities, passive investments and actively managed funds. The Sub-fund may also invest in other transferable securities, cash, near cash, deposits and money market funds. Derivatives can also be used for both investment purposes and efficient portfolio management.

The risk profile of the Sub-fund is moderately defensive and as such the Sub-fund will have an exposure to equities of <60%.

Performance will be measured over an entire market cycle (5 years).

Investment Manager's Report

for the period ended 30 September 2023

General Market Commentary

Concerns about US interest rates have been the main driver of falls in equity markets, with hawkish statements from senior members of the Federal Reserve ('Fed') indicating that interest rates will stay "higher for longer". Jerome Powell, the Chairman of the Federal Reserve, confirmed that he is sticking with the 2% target and is watching wage rises and service sector prices particularly carefully.

The Bank of England's Monetary Policy Committee ('MPC') kept interest rates unchanged at its September meeting, as the UK economy slows. The pause in the hiking cycle followed fourteen consecutive rises starting in December 2021 and the central bank's base rate is at its highest level in 15 years.

This may be the last rate rise in the Bank of England's tightening cycle as many mortgage holders will need to remortgage at these higher levels – a move that will continue to put pressure on consumer confidence. UK inflation data in August also saw a surprise fall. As a result, UK mortgage rates have moved from highs seen earlier in the year.

Headline inflation is on the way down, but wage inflation leading to service sector price increases remains relatively high in the UK and US compared with a 2% inflation target, although wages often lag prices. Employment markets in both countries remain strong, but there are signs of some weakening, which should please policymakers at central banks.

When Christine Lagarde, the head of the European Central Bank, set out her views at the recent Jackson Hole conference, she confirmed the need to keep money tight and get back to its inflation target. Markets have accepted that interest rates in the advanced countries cannot come down again any time soon.

Chinese equities have also been weak as the country's property crisis accelerates. Hui Ka Yan, the billionaire chair behind Chinese property group Evergrande, was placed under house arrest. He is reportedly being investigated on suspicion of transferring assets offshore while the indebted property developer struggles to complete unfinished projects and renegotiate its debt.

Nevertheless, economic activity in the Asian powerhouse appeared to improve in August, with data suggesting a downturn in growth may be stabilising. However, much uncertainty remains. We expect some further targeted interventions from Beijing to stimulate the kind of growth in technology and the type of consumer spending favoured by the government.

In the US, Nvidia confirmed excellent results from its artificial intelligence ('AI') related products, which was necessary given the dramatic performance of its shares. This year, the US digital giants that suffered in the big market sell off last year as rates rose, have recovered much of their poise.

Microsoft, Alphabet's Google and Amazon Web Services are competing for the supercharged growth available in doing business in the cloud, adding AI to the service offering. The digital revolution thunders on, with China now needing more self-reliance as the US-led bloc and the China led bloc seek to avoid sharing intellectual property.

MI Charles Stanley Multi Asset Cautious Fund

Investment Manager's Report

continued

Markets think the US can engineer a soft landing and get inflation down without too much additional economic damage. The UK market expects a continuing tight money policy to curb inflation, which will impede growth. However, if a recession does emerge, it is expected to be shallow.

Outlook

The US has proven remarkably resilient over the year, but we expect a slowdown as the effects of monetary tightening work their way through the economy. Deeper recessions that were a real risk over the past year in Europe and the UK are unlikely to occur, while the momentum in Japan of above-trend growth will be hard to sustain. Therefore, a rebound in global growth is not likely before the middle of next year at the earliest.

We expect US headline inflation to fall towards target by the end of 2024 although core inflation remains an issue. The latter should prompt the Fed to keep rates higher for longer with rate cuts coming through mid-2024 at the earliest. Inflation in the UK is higher and falling slower than in the US and the EU, so reaching target will take longer than the current market consensus to reach 2% by Q2 2025. We argue that the Bank of England needs to pause and let the rate rises to date have their lagged impact especially as most of inflationary variables are improving. From here onward, continuous rate rises will pose a real deep recession risk. That is the greatest risk we see to UK growth improving from here.

Looking forward we expect dispersion to accelerate and create more opportunities for investors. While we have an optimistic view of both investment grade and high-yield corporate credit relative to equities, we maintain a strong preference for high quality credit (investment grade) exposures.

During the six months that ended on the 30 September 2023, the Sub-fund reported a total return of -0.1% compared to +3.2% for the CPI + 1% long-term performance target. (Source: Financial Express Analytics as at 30 September 2023, A Accumulation shares, total return, sterling, bid-to-bid, net income reinvested, net of ongoing charges and fees).

During the period we rebalanced the portfolio twice (May 2023 and July 2023) to adapt to another year of heightened volatility across asset classes.

The first rebalancing changes in May 2023, can be summarised as:

- Continuation of the duration extension with this tranche also rotating some of our predominantly US sovereign exposure towards UK gilts.
- Diversification of our property allocation to capture the opportunities in the European Closed-Ended property universe.

Throughout 2022 we were holding most of our fixed income exposure in short duration/maturity vehicles, in order to insulate the portfolios for the rising yield environment that was seen across the globe. Towards the end of 2022 having seen yields and credit spreads re-rate we began to extend the duration within the fixed income allocation. Timing is difficult in these top-down and rate driven decisions so we wanted to do this over a number of tranches as we moved back towards a neutral position on duration – with another move being carried out in this rebalance. We have typically looked towards the US Treasury market for its risk-off characteristics and attractive yield premium in recent years, but note that this has now reversed at the middle maturities such that UK sovereign bonds around the 10 year maturity now offer 50bp more in yield terms than the US. Coupling this with the brinkmanship on show as they approach the self-imposed "Debt Ceiling", it made sense to us to implement this latest trade via the UK rather than US, with shorter dated US Treasuries part of the funding source.

In May 2023, following a review of our preferred funds and meetings with the managers we alighted on splitting our exposure between the existing L&G Global Real Estate Dividend and introducing TR Property Investment alongside. The attraction of our long-time holding in the L&G funds is its broad diversification across geographies, sectors and underlying investments. It is tilted towards the US as you would expect but has good geographic diversification across the US states. TR Property Investment on the other hand is a pan-European vehicle investing across the UK and continental Europe, with the ability to rotate positioning through the various sectors accessible via listed property funds. The Sub-fund itself was trading on a 10% discount along with many of the underlying vehicles it owns also trading on 10-30% discounts – which offered us some comfort that while a rapid re-rating of property exposures is not part of our base case, there was a cushion already built into the valuations against further falls.

The second rebalancing took place a few months later in July 2023, and the changes can be summarised as:

- Rotation of some of our equity exposure towards fixed income vehicles, with a focus on taking profits on some relative outperformers like the NASDAQ 100.

Investment Manager's Report

continued

- Increasing our USD exposure within our North American Equity allocation by taking off some of the FX Forward hedges while topping up S&P Equal Weight positions.

Financial markets remain dominated by inflation prints and interest rate projections. In the US, recent inflationary data would suggest that the world's largest economy is close to its target of defeating inflation, remarkably without having had a substantially adverse negative impact on the economy (so far). In the UK, this trajectory looks quite different, with persistent inflation driven by wage growth and other factors, forcing the Bank of England to hike interest rates further than expected. What is true of both areas is that the move up in bond yields has presented substantial opportunities for fixed income investors. Short-dated UK and US government bonds are offering a yield to maturity in excess of 4.5%, meanwhile the spread offered above government bonds have made pockets of investment grade and high yield bonds look quite attractive.

Undoubtedly, the rate hike backdrop that we have experienced in the last 18 months has meant that economic growth has been slowing. This falls into our base case where we believe growth will slow and there may be some recessions in the developed world, though shallow in nature. Corporate earnings have remained remarkably resilient as consumers have continued to spend amidst all these pressures. This is something that we are monitoring closely as we are conscious that should consumer strength slow, possibly due to excess savings having dwindled or other, these resilient margins could wobble.

On the face of it, there remains some upside potential for equities, particularly if the market becomes more comfortable that the inflationary regime is ending and the odds of a 'soft landing' increase. Conversely, equity market performance year to date has been strong so far, and the valuations on offer in fixed income markets are very compelling. For this reason, we felt that the next step for asset allocation was risk level specific. For investors in risk levels Low and Medium-low, we were of the view that on a relative risk adjusted basis, trimming some equity risk for short-dated fixed income was compelling. In the Growth and Adventurous Sub-funds, we felt that the risk tolerance implied in these risk profiles justifies retaining equity allocations where they were, at near neutral levels to our Strategic Asset Allocation ('SAA').

Finally, the other change we have made is to adjust our US dollar hedging in equities to increase the US dollar exposure. Sterling had a remarkable run relative to overseas currencies over the last nine months. After the falls in Treasury markets last year, the US dollar is unique in being one of the few safe haven assets to have offered protection to portfolios during each major equity market downturn over the last 20 years. Having depreciated relative to Sterling by a considerable degree, it felt like a good time to accumulate more across the risk levels as a defensive asset in portfolios.

At the Sub-fund level, the Equity allocation returned +2.0%, Fixed Income +0.5% and Alternatives strategies -6.0%.

Within the Fixed Income allocation, the only detractor to the Sub-fund were Government bonds which posted -2.1% total returns. The largest contributor were Investment grade bonds with a +1.6% total return.

Within the Equity allocation, returns ranged from +7.1% for Japanese Equities to -12.6% for the Global Equity / Thematic bucket due to the Global Energy transition fund which was hampered by its sensitivity to bond yields from its longer duration earnings. Nonetheless, we continue to believe that the longer-term picture is intact, governments will continue to invest in energy transition and arguably, valuations are now cheaper suggesting a reasonable entry for the future.

The Alternatives allocation is split across three buckets, Private Debt, Property and Infrastructure with respective total return of +7.9%, -3.1%, -11.0%. Property and Infrastructure were hampered by the selloff in government bonds yields whilst the Private debt trust benefited due to its exposure to floating rate debt. In addition, the investment trusts we hold were disproportionately marked down. Several factors were at play, notably the Bank of England's 100bps rate rise over the period (2 x 25bps and a surprising 50bps) and the continuous asset allocation shift from alternative income to traditional fixed income which does not suffer to the same extent from illiquidity, equity-like volatility, and discount risk whilst now providing an attractive income level. It also appears that some market participants (CTAs and global macro funds) sell the FTSE 250 index as a proxy for UK PLCs and the rather gloomy outlook they face. Investment trust components of that benchmark tend to suffer disproportionately on the downside and this is perhaps worse as liquidity is thinner during the summer months. The trusts we hold invest in real assets such as wind and solar farms, care homes, supermarkets and infrastructure. These have quality assets with inflation-linked cash flows which make them a compelling investment over the long-term.

MI Charles Stanley Multi Asset Cautious Fund

Investment Manager's Report

continued

Significant Portfolio Changes

for the period ended 30 September 2023

Major purchases since 1 April 2023

	Cost
	£
Legal & General Short Dated Sterling Corporate Bond Index - C Accumulation	198,351
Xtracker S&P 500 Equal Weight ETF	186,514
UK Treasury 0.875% 31.07.33	170,188
Legal & General Sterling Corporate Bond Index - C Income	112,314
UK Treasury 3.25% 31.01.33	104,763
UK Treasury 0% 17.07.23	84,199
TR Property Investment	56,909
M&G Japan Fund Sterling - PP Income	48,020
Legal & General UK Index - C Distribution	39,809
	<hr/>
	1,001,067

Major sales since 1 April 2023

	Proceeds
	£
Invesco EQQQ Nasdaq - 100 UCITS ETF	122,969
Baillie Gifford Japanese - B Income	106,492
Legal & General Global Infrastructure Index - C Distribution	92,928
Schroder Asian Total Return Investment	89,500
UK Treasury 0% 17.07.23	84,831
US Treasury 2.75% 15.02.24	69,170
US Treasury 3% 31.07.24	69,098
MI Charles Stanley Equity - A Income	59,795
US Treasury 2.25% 15.11.27	57,989
Legal & General Global Real Estate Dividend Index - C Distribution	55,747
	<hr/>
	808,519

MI Charles Stanley Multi Asset Cautious Fund

Portfolio Statement

as at 30 September 2023

Holding	Security	Market value £	% of total net assets 2023
Alternatives 7.31% (10.36%)			
50,000	Foresight Solar	46,350	0.93
36,318	Greencoat UK Wind	50,845	1.02
39,723	HICL Infrastructure	49,256	0.98
44,994	International Public Partnerships	55,703	1.11
127,000	Sequoia Economic Infrastructure Income	105,537	2.11
54,200	The Renewables Infrastructure Group	57,777	1.16
		365,468	7.31
Asia ex-Japan Equities 2.20% (3.87%)			
13,299	Stewart Investors Asia Pacific Sustainability - B Accumulation GBP*	110,237	2.20
European Equities 2.16% (2.15%)			
31,884	Legal & General European Index - C Income*	108,181	2.16
Global Equities 4.31% (4.75%)			
40,739	Baillie Gifford Positive Change - B Income*	117,531	2.35
221,464	Schroder Global Energy Transition - Class Q1 Income GBP*	97,599	1.96
		215,130	4.31
High Yield Corporate Bonds 5.49% (5.06%)			
2,075	Man GLG High Yield Opportunities Hedged - IF Income GBP*	274,489	5.49
Inflation-Linked Bonds 2.41% (2.36%)			
\$130,000	US Treasury 0.75% Inflation-Linked 15.07.28	120,669	2.41
Investment Grade Corporate Bonds 34.20% (27.89%)			
428,511	Axa Sterling Credit Short Duration Bond - ZI Income GBP*	404,428	8.09
2,742	iShares £ Corporate Bond 0-5yr UCITS ETF - GBP Distribution	265,069	5.30
40,000	iShares £ Ultrashort Bond ESG UCITS ETF	202,880	4.06
1,274	iShares £ Ultrashort Bond UCITS ETF - GBP Distribution	129,719	2.59
725,340	Legal & General Short Dated Sterling Corporate Bond Index - C Accumulation*	413,226	8.26
633,499	Legal & General Sterling Corporate Bond Index - C Income*	295,274	5.90
		1,710,596	34.20
Japanese Equities 3.85% (4.61%)			
146,766	M&G Japan Fund Sterling - PP Income*	192,543	3.85
Property 3.64% (3.66%)			
228,665	Legal & General Global Real Estate Dividend Index - C Distribution*	125,766	2.51
20,205	TR Property Investment	56,675	1.13
		182,441	3.64
UK Equities 3.81% (4.07%)			
34,160	Legal & General UK Index - C Distribution*	57,286	1.15
68,184	MI Charles Stanley Equity - A Income*†	133,189	2.66
		190,475	3.81
US Equities 11.59% (10.03%)			
43,623	iShares Core S&P 500 UCITS ETF - GBP (hedged) Distribution	318,884	6.38
4,154	Xtracker S&P 500 Equal Weight ETF	260,404	5.21
		579,288	11.59

MI Charles Stanley Multi Asset Cautious Fund

Portfolio Statement

continued

Holding	Security	Market value £	% of total net assets 2023
UK Government Bonds 7.94% (2.43%)			
£85,000	UK Treasury 0.125% 22.03.24	130,276	2.60
£233,058	UK Treasury 0.875% 31.07.33	167,249	3.34
£110,000	UK Treasury 3.25% 31.01.33	100,109	2.00
		397,634	7.94
US Government Bonds 9.98% (13.84%)			
\$210,000	US Treasury 0.625% 15.05.30	133,213	2.66
\$155,000	US Treasury 0.625% 15.08.30	97,470	1.95
\$182,000	US Treasury 2.25% 15.08.27	136,258	2.72
\$177,000	US Treasury 2.25% 15.11.27	131,869	2.65
		498,810	9.98
DERIVATIVES -0.21% (0.39%)			
Forward Currency Contracts[^] -0.21% (0.39%)			
Sold €64,000 Bought £55,243 (14.12.23)		(377)	(0.01)
Sold \$550,000 Bought £441,084 (14.12.23)		(9,344)	(0.19)
Sold ¥17,500,000 Bought £96,757 (14.12.23)		(323)	(0.01)
		(10,044)	(0.21)
Investment assets		4,935,917	98.68
Net other assets		66,165	1.32
Net assets		5,002,082	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 31.03.23.

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

†Represents investment into a related party of the Manager. Apex Fundrock Limited also acts as ACD for this fund.

[^]At the balance sheet date, all forward currency contracts were executed with one counterparty, Northern Trust Investor Services Limited ('NTISL') for the purpose of Effective Portfolio Management. Collateral obligations on losses or gains for each transaction would be met using cash held by the Custodian.

At the period end the Sub-fund did not hold shares in any of the other Sub-funds within the MI Charles Stanley Multi Asset Funds.

Total purchases for the period: £1,001,067

Total sales for the period: £935,511

	Market value £	% of total net assets 30.09.23	% of total net assets 31.03.23
Analysis of bonds by credit rating^{^^}			
Investment grade (BBB & above)	1,017,113	20.33	18.63

^{^^}Source: NTISL

MI Charles Stanley Multi Asset Cautious Fund

Net Asset Value and Shares in Issue

Class	Net Asset Value	Shares in issue	Net Asset Value per share p	Operating Charges*
A Income	£740,467	749,937	98.74	0.76%
A Accumulation	£2,711,937	2,499,741	108.49	0.76%
C Accumulation	£1,549,678	1,472,607	105.23	0.76%

*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. The figures used within this table have been calculated by annualising the expenses incurred against the average Net Asset Value for the accounting period.

The Investment Manager currently rebates the Sub-fund's operating charges, excluding the Investment Manager's fee and synthetic ongoing charges (0.26% of operating charges) in order for them not to exceed 0.20% of the Net Asset Value of the Sub-fund.

MI Charles Stanley Multi Asset Cautious 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 indicator.



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

- The Sub-fund may invest in cash and cash equivalent securities to try to protect its value in times of market uncertainty but this may not always be successful.
- Changes in exchange rates may cause the value of investments to decrease or increase.
- Investing in other funds may expose you to increased risk due to restrictions on withdrawals, less strict regulations and use of derivatives.
- Investing in bonds offers you income generation and sometimes a gain on your capital. Nevertheless, there is a risk that the organisation which issued the security will fail, which would result in a loss of income to the Sub-fund, along with its initial investment. Fixed income values are likely to fall if interest rates rise.
- There may be cases where the organisation from which we buy an asset (usually a financial institution such as a bank) fails to carry out its obligations, which could cause losses to the Sub-fund.
- Investment grade bonds, as determined by international ratings agencies, potentially produce a lower level of income than non-investment grade securities, but they are also considered to be of lower risk.
- This Sub-fund can use derivatives in order to meet its investment objectives. This may result in gains or losses that are greater than the original amount invested.
- Emerging markets are prone to more political, economic and structural challenges and disclosure standards can be less stringent than those of developed economies. This means your money could be at greater risk.
- The Sub-fund title is not related to the risk rating that appears on the 1-7 scale above, which is based solely on past data.
- For further risk information please see the Prospectus.

Risk warning

An investment in an 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 Charles Stanley Multi Asset Cautious Fund

Statement of Total Return

for the period ended 30 September 2023

	30.09.23		30.09.22	
	£	£	£	£
Income				
Net capital losses		(74,132)		(503,378)
Revenue	94,350		53,613	
Expenses	(11,053)		(10,247)	
Interest payable and similar charges	(304)		(1)	
Net revenue before taxation	82,993		43,365	
Taxation	(8,559)		(3,177)	
Net revenue after taxation		74,434		40,188
Total return before distributions		302		(463,190)
Distributions		(33,864)		(34,131)
Change in net assets attributable to Shareholders from investment activities		(33,562)		(497,321)

Statement of Change in Net Assets Attributable to Shareholders

for the period ended 30 September 2023

	30.09.23		30.09.22	
	£	£	£	£
Opening net assets attributable to Shareholders		5,203,055		5,449,829
Amounts receivable on issue of shares	838,705		562,259	
Less: Amounts payable on cancellation of shares	(1,032,796)		(549,816)	
		(194,091)		12,443
Change in net assets attributable to Shareholders from investment activities (see Statement of Total Return above)		(33,562)		(497,321)
Retained distributions on accumulation shares		26,680		29,319
Closing net assets attributable to Shareholders		5,002,082		4,994,270

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

MI Charles Stanley Multi Asset Cautious Fund

Balance Sheet

as at 30 September 2023

	30.09.23		31.03.23	
	£	£	£	£
ASSETS				
Fixed Assets				
Investments		4,945,961		4,967,533
Current Assets				
Debtors	34,997		39,684	
Cash and bank balances	84,979		234,602	
Total current assets		119,976		274,286
Total assets		5,065,937		5,241,819
LIABILITIES				
Investment liabilities		(10,044)		-
Creditors				
Distribution payable	(2,250)		(7,559)	
Other creditors	(51,561)		(31,205)	
Total creditors		(53,811)		(38,764)
Total liabilities		(63,855)		(38,764)
Net assets attributable to Shareholders		5,002,082		5,203,055

MI Charles Stanley Multi Asset Cautious Fund

Distribution Tables

for the period ended 30 September 2023

Income Share Distributions

Share class	Distribution	Shares	Net revenue p	Equalisation p	Distribution paid/payable 2023 p	Distribution paid 2022 p
A	First interim	Group 1	0.3000	–	0.3000	0.3000
		Group 2	0.0604	0.2396	0.3000	0.3000
	Second interim	Group 1	0.3000	–	0.3000	0.3000
		Group 2	–	0.3000	0.3000	0.3000

Accumulation Share Distributions

Share class	Distribution	Shares	Net revenue p	Equalisation p	Amount reinvested 2023 p	Amount reinvested 2022 p
A	First interim	Group 1	0.3275	–	0.3275	0.3831
		Group 2	–	0.3275	0.3275	0.3831
	Second interim	Group 1	0.3274	–	0.3274	0.3301
		Group 2	–	0.3274	0.3274	0.3301
C	First interim	Group 1	0.3179	–	0.3179	0.3819
		Group 2	–	0.3179	0.3179	0.3819
	Second interim	Group 1	0.3183	–	0.3183	0.3214
		Group 2	–	0.3183	0.3183	0.3214

First interim period: 01.04.23 - 30.06.23

Second interim period: 01.07.23 - 30.09.23

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 Charles Stanley Multi Asset Moderate Fund

Investment Objective and Policy

for the period ended 30 September 2023

Investment objective

The Sub-fund will aim to achieve a combination of capital growth and income over the medium to long-term.

The Sub-fund will aim for gross returns over an entire market cycle (5 years) in excess of 2% + inflation (as currently measured by the Consumer Price Index). There is no guarantee that this return will be achieved over that, or any, time period, and investors should note that capital is at risk.

Investment policy

The Sub-fund will adopt a global multi asset approach which is neither constrained by a formal benchmark nor by geographic region and will be constructed with diversified exposure to various asset classes selected from the following: equities, fixed income, real estate, alternatives, currencies, commodities, passive investments and actively managed funds. The Sub-fund may also invest in other transferable securities, cash, near cash, deposits and money market funds. Derivatives can also be used for both investment purposes and efficient portfolio management.

The risk profile of the Sub-fund is moderate and as such the Sub-fund will have an exposure to equities of <75%.

Performance will be measured over an entire market cycle (5 years).

Investment Manager's Report

for the period ended 30 September 2023

General Market Commentary

Concerns about US interest rates have been the main driver of falls in equity markets, with hawkish statements from senior members of the Federal Reserve ('Fed') indicating that interest rates will stay "higher for longer". Jerome Powell, the Chairman of the Federal Reserve, confirmed that he is sticking with the 2% target and is watching wage rises and service sector prices particularly carefully.

The Bank of England's Monetary Policy Committee ('MPC') kept interest rates unchanged at its September meeting, as the UK economy slows. The pause in the hiking cycle followed fourteen consecutive rises starting in December 2021 and the central bank's base rate is at its highest level in 15 years.

This may be the last rate rise in the Bank of England's tightening cycle as many mortgage holders will need to remortgage at these higher levels – a move that will continue to put pressure on consumer confidence. UK inflation data in August also saw a surprise fall. As a result, UK mortgage rates have moved from highs seen earlier in the year.

Headline inflation is on the way down, but wage inflation leading to service sector price increases remains relatively high in the UK and US compared with a 2% inflation target, although wages often lag prices. Employment markets in both countries remain strong, but there are signs of some weakening, which should please policymakers at central banks.

When Christine Lagarde, the head of the European Central Bank, set out her views at the recent Jackson Hole conference, she confirmed the need to keep money tight and get back to its inflation target. Markets have accepted that interest rates in the advanced countries cannot come down again any time soon.

Chinese equities have also been weak as the country's property crisis accelerates. Hui Ka Yan, the billionaire chair behind Chinese property group Evergrande, was placed under house arrest. He is reportedly being investigated on suspicion of transferring assets offshore while the indebted property developer struggles to complete unfinished projects and renegotiate its debt.

Nevertheless, economic activity in the Asian powerhouse appeared to improve in August, with data suggesting a downturn in growth may be stabilising. However, much uncertainty remains. We expect some further targeted interventions from Beijing to stimulate the kind of growth in technology and the type of consumer spending favoured by the government.

In the US, Nvidia confirmed excellent results from its artificial intelligence ('AI') related products, which was necessary given the dramatic performance of its shares. This year, the US digital giants that suffered in the big market sell off last year as rates rose, have recovered much of their poise.

Microsoft, Alphabet's Google and Amazon Web Services are competing for the supercharged growth available in doing business in the cloud, adding AI to the service offering. The digital revolution thunders on, with China now needing more self-reliance as the US-led bloc and the China led bloc seek to avoid sharing intellectual property.

Investment Manager's Report

continued

Markets think the US can engineer a soft landing and get inflation down without too much additional economic damage. The UK market expects a continuing tight money policy to curb inflation, which will impede growth. However, if a recession does emerge, it is expected to be shallow.

Outlook

The US has proven remarkably resilient over the year, but we expect a slowdown as the effects of monetary tightening work their way through the economy. Deeper recessions that were a real risk over the past year in Europe and the UK are unlikely to occur, while the momentum in Japan of above-trend growth will be hard to sustain. Therefore, a rebound in global growth is not likely before the middle of next year at the earliest.

We expect US headline inflation to fall towards target by the end of 2024 although core inflation remains an issue. The latter should prompt the Fed to keep rates higher for longer with rate cuts coming through mid-2024 at the earliest. Inflation in the UK is higher and falling slower than in the US and the EU, so reaching target will take longer than the current market consensus to reach 2% by Q2 2025. We argue that the Bank of England needs to pause and let the rate rises to date have their lagged impact especially as most of inflationary variables are improving. From here onward, continuous rate rises will pose a real deep recession risk. That is the greatest risk we see to UK growth improving from here.

Looking forward we expect dispersion to accelerate and create more opportunities for investors. While we have an optimistic view of both investment grade and high-yield corporate credit relative to equities, we maintain a strong preference for high quality credit (investment grade) exposures.

During the six months that ended on the 30 September 2023, the Sub-fund reported a total return of +0.3% compared to +3.7% for the CPI + 2% long-term performance target. (Source: Financial Express Analytics as at 30 September 2023, A Accumulation shares, total return, sterling, bid-to-bid, net income reinvested, net of ongoing charges and fees).

During the period we rebalanced the portfolio twice (May 2023 and July 2023) to adapt to another year of heightened volatility across asset classes.

The first rebalancing changes in May 2023, can be summarised as:

- Continuation of the duration extension with this tranche also rotating some of our predominantly US sovereign exposure towards UK gilts.
- Introduction of specific UK Mid Cap exposure alongside our broader UK equity allocation.
- Diversification of our property allocation to capture the opportunities in the European Closed-Ended property universe.

Throughout 2022 we were holding the majority of our fixed income exposure in short duration/maturity vehicles, in order to insulate the portfolios for the rising yield environment that was seen across the globe. Towards the end of 2022 having seen yields and credit spreads re-rate we began to extend the duration within the fixed income allocation. Timing is difficult in these top-down and rate driven decisions so we wanted to do this over a number of tranches as we moved back towards a neutral position on duration – with another move being carried out in this rebalance. We have typically looked towards the US Treasury market for its risk-off characteristics and attractive yield premium in recent years, but note that this has now reversed at the middle maturities such that UK sovereign bonds around the 10 year maturity now offer 50bp more in yield terms than the US. Coupling this with the brinkmanship on show as they approach the self-imposed “Debt Ceiling”, it made sense to us to implement this latest trade via the UK rather than US, with shorter dated US Treasuries part of the funding source.

We have continued to hold most of our equity allocation within companies with larger market capitalisation and predominantly in the US. The macroeconomic backdrop has not been favourable to smaller capitalisation companies who have been hit disproportionately compared to larger companies due to lack of pricing power in an inflationary environment and slowing economic growth/recession expectations. We have been considering the relative allocation to smaller capitalisation exposure within the equity exposure given the extent of the negativity priced into these companies compared to their larger counterparts. Following a comparison of smaller capitalisation indices across US, UK and Europe, we have initiated a position in the Legal & General UK MID Cap Index which tracks the performance of the FTSE 250 ex Investment Trusts Index. The index was trading on just under 11x earnings, which is the most depressed level since the global financial crisis and provides significant downside headroom given the level of negativity this already reflects.

MI Charles Stanley Multi Asset Moderate Fund

Investment Manager's Report

continued

In May 2023, following a review of our preferred funds and meetings with the managers we alighted on splitting our exposure between the existing L&G Global Real Estate Dividend and introducing TR Property Investment alongside. The attraction of our long-time holding in the L&G funds is its broad diversification across geographies, sectors and underlying investments. It is tilted towards the US as you would expect but has good geographic diversification across the US states. TR Property Investment on the other hand is a pan-European vehicle investing across the UK and continental Europe, with the ability to rotate positioning through the various sectors accessible via listed property funds. The Sub-fund itself was trading on a 10% discount along with many of the underlying vehicles it owns also trading on 10-30% discounts – which offered us some comfort that while a rapid re-rating of property exposures is not part of our base case, there was a cushion already built into the valuations against further falls.

The second rebalancing took place a few months later in July 2023, and the changes can be summarised as follows:

- Rotation of some of our equity exposure towards fixed income vehicles, with a focus on taking profits on some relative outperformers like the NASDAQ 100.
- Increasing our USD exposure within our North American Equity allocation by taking off some of the FX Forward hedges while topping up S&P Equal Weight positions.

Financial markets remain dominated by inflation prints and interest rate projections. In the US, recent inflationary data would suggest that the world's largest economy is close to its target of defeating inflation, remarkably without having had a substantially adverse negative impact on the economy (so far). In the UK, this trajectory looks quite different, with persistent inflation driven by wage growth and other factors, forcing the Bank of England to hike interest rates further than expected. What is true of both areas is that the move up in bond yields has presented substantial opportunities for fixed income investors. Short-dated UK and US government bonds are offering a yield to maturity in excess of 4.5%, meanwhile the spread offered above government bonds have made pockets of investment grade and high yield bonds look quite attractive.

Undoubtedly, the rate hike backdrop that we have experienced in the last 18 months has meant that economic growth has been slowing. This falls into our base case where we believe growth will slow and there may be some recessions in the developed world, though shallow in nature. Corporate earnings have remained remarkably resilient as consumers have continued to spend amidst all these pressures. This is something that we are monitoring closely as we are conscious that should consumer strength slow, possibly due to excess savings having dwindled or other, these resilient margins could wobble.

On the face of it, there remains some upside potential for equities, particularly if the market becomes more comfortable that the inflationary regime is ending and the odds of a 'soft landing' increase. Conversely, equity market performance year to date has been strong so far, and the valuations on offer in fixed income markets are very compelling. For this reason, we felt that the next step for asset allocation was risk level specific. For investors in risk levels Low and Medium-low, we were of the view that on a relative risk adjusted basis, trimming some equity risk for short-dated fixed income was compelling. In the Growth and Adventurous Sub-funds, we felt that the risk tolerance implied in these risk profiles justifies retaining equity allocations where they were, at near neutral levels to our Strategic Asset Allocation ('SAA').

Finally, the other change we have made is to adjust our US dollar hedging in equities to increase the US dollar exposure. Sterling had a remarkable run relative to overseas currencies over the last nine months. After the falls in Treasury markets last year, the US dollar is unique in being one of the few safe haven assets to have offered protection to portfolios during each major equity market downturn over the last 20 years. Having depreciated relative to Sterling by a considerable degree, it felt like a good time to accumulate more across the risk levels as a defensive asset in portfolios.

At the Sub-fund level, the Equity allocation returned +1.6%, Fixed Income +1.0% and Alternatives strategies -5.5%.

Within the Fixed Income allocation, the only detractor to the Sub-fund were Government bonds which posted -1.8% total returns. The largest contributor were High Yield bonds with a +4.2% total return.

Within the Equity allocation, returns ranged from +6.6% for North American Equities to -13.4% for the Global Equity / Thematic bucket due to the Global Energy transition fund which was hampered by its sensitivity to bond yields from its longer duration earnings. Nonetheless, we continue to believe that the longer-term picture is intact, governments will continue to invest in energy transition and arguably, valuations are now cheaper suggesting a reasonable entry for the future.

Investment Manager's Report

continued

The Alternatives allocation is split across three buckets, Private Debt, Property and Infrastructure with respective total return of +7.9%, -3.1%, -10.7%. Property and Infrastructure were hampered by the selloff in government bonds yields whilst the Private debt trust benefited due to its exposure to floating rate debt. In addition, the investment trusts we hold were disproportionately marked down. Several factors were at play, notably the Bank of England's 100bps rate rise over the period (2 x 25bps and a surprising 50bps) and the continuous asset allocation shift from alternative income to traditional fixed income which does not suffer to the same extent from illiquidity, equity-like volatility, and discount risk whilst now providing an attractive income level. It also appears that some market participants (CTAs and global macro funds) sell the FTSE 250 index as a proxy for UK PLCs and the rather gloomy outlook they face. Investment trust components of that benchmark tend to suffer disproportionately on the downside and this is perhaps worse as liquidity is thinner during the summer months. The trusts we hold invest in real assets such as wind and solar farms, care houses, supermarkets and infrastructure. These have quality assets with inflation-linked cash flows which make them a compelling investment over the long-term.

Significant Portfolio Changes

for the period ended 30 September 2023

Major purchases since 1 April 2023

	Cost
	£
Xtracker S&P 500 Equal Weight ETF	1,196,874
UK Treasury 0% 17.07.23	1,188,686
iShares £ Ultrashort Bond ESG UCITS ETF	1,000,371
Legal & General UK Mid Cap Index - C Distribution	844,510
US Treasury 3% 31.07.24	590,373
UK Treasury 3.5% 22.10.25	588,028
Legal & General Short Dated Sterling Corporate Bond Index - C Accumulation	492,786
UK Treasury 0.875% 31.07.33	488,950
TR Property Investment	488,266
UK Treasury 3.25% 31.01.33	466,671
	7,345,515

Major sales since 1 April 2023

	Proceeds
	£
UK Treasury 0% 17.07.23	1,199,277
Legal & General Global Infrastructure Index - C Distribution	854,935
Schroder Asian Total Return Investment	693,638
Invesco EQQQ Nasdaq - 100 UCITS ETF	540,584
Legal & General Global Real Estate Dividend Index - C Distribution	478,295
M&G Japan Fund Sterling - PP Income	343,122
Stewart Investors Asia Pacific Sustainability - B Accumulation GBP	341,772
MI Charles Stanley Equity - A Income	219,020
UK Treasury 0% 03.04.23	200,000
Baillie Gifford Japanese - B Income	98,348
	4,968,991

MI Charles Stanley Multi Asset Moderate Fund

Portfolio Statement

as at 30 September 2023

Holding	Security	Market value £	% of total net assets 2023
Alternatives 6.57% (9.61%)			
430,000	Foresight Solar	398,610	0.82
444,229	Greencoat UK Wind	621,921	1.28
314,687	HICL Infrastructure	390,212	0.80
355,539	International Public Partnerships	440,157	0.90
1,143,000	Sequoia Economic Infrastructure Income	949,833	1.95
374,000	The Renewables Infrastructure Group	398,684	0.82
		3,199,417	6.57
Asia ex-Japan Equities 3.94% (6.50%)			
229,863	Schroder Asian Total Return Investment	933,244	1.92
118,492	Stewart Investors Asia Pacific Sustainability - B Accumulation GBP*	982,189	2.02
		1,915,433	3.94
Emerging Market Equities 2.16% (2.42%)			
1,025,780	JPMorgan Emerging Markets Investment	1,052,450	2.16
European Equities 3.40% (3.72%)			
488,011	Legal & General European Index - C Income*	1,655,820	3.40
Global Equities 5.55% (6.80%)			
453,863	Baillie Gifford Positive Change - B Income*	1,309,394	2.69
3,164,512	Schroder Global Energy Transition - Class Q1 Income GBP*	1,394,600	2.86
		2,703,994	5.55
High Yield Corporate Bonds 5.30% (5.38%)			
19,499	Man GLG High Yield Opportunities Hedged - IF Income GBP	2,578,888	5.30
Inflation-Linked Bonds 2.29% (2.47%)			
\$1,200,000	US Treasury 0.75% Index-Linked 15.07.28	1,113,871	2.29
Investment Grade Corporate Bonds 20.50% (18.53%)			
2,970,139	Axa Sterling Credit Short Duration Bond - ZI Income GBP*	2,803,217	5.76
35,854	iShares £ Corporate Bond 0-5yr UCITS ETF - GBP Distribution	3,466,006	7.12
304,699	iShares £ Ultrashort Bond ESG UCITS ETF	1,545,433	3.17
877,000	Legal & General Short Dated Sterling Corporate Bond Index - C Accumulation*	499,627	1.03
3,568,948	Legal & General Sterling Corporate Bond Index - C Income*	1,663,487	3.42
		9,977,770	20.50
Japanese Equities 3.99% (5.06%)			
64,301	Baillie Gifford Japanese - B Income*	940,718	1.93
763,176	M&G Japan Fund Sterling - PP Income*	1,001,210	2.06
		1,941,928	3.99
Property 3.01% (3.32%)			
1,779,288	Legal & General Global Real Estate Dividend Index - C Distribution*	978,608	2.01
173,358	TR Property Investment	486,269	1.00
		1,464,877	3.01
UK Equities 5.35% (4.12%)			
224,259	Legal & General UK Index - C Distribution*	376,082	0.77
1,682,835	Legal & General UK Mid Cap Index - C Distribution*	815,334	1.67
725,392	MI Charles Stanley Equity - A Income*†	1,416,967	2.91
		2,608,383	5.35

MI Charles Stanley Multi Asset Moderate Fund

Portfolio Statement

continued

Holding	Security	Market value £	% of total net assets 2023
US Equities 22.64% (21.10%)			
3,383	Invesco EQQQ Nasdaq - 100 UCITS ETF	1,002,958	2.06
532,550	iShares Core S&P 500 UCITS ETF - GBP (hedged) Distribution	3,892,941	8.00
175,123	Legal & General US Index - C Income*	1,249,153	2.57
28,398	Vanguard S&P 500 UCITS ETF	1,901,246	3.91
47,352	Xtracker S&P 500 Equal Weight ETF	2,968,375	6.10
		11,014,673	22.64
UK Government Bonds 5.62% (2.98%)			
£790,000	UK Treasury 0.125% 22.03.24	1,210,801	2.49
£669,575	UK Treasury 0.875% 31.07.32	480,507	0.99
£490,000	UK Treasury 3.25% 31.01.33	445,939	0.92
£610,000	UK Treasury 3.50% 22.10.25	593,316	1.22
		2,730,563	5.62
US Government Bonds 7.53% (6.83%)			
\$1,900,000	US Treasury 0.625% 15.05.30	1,205,257	2.47
\$2,473,000	US Treasury 2.25% 15.11.27	1,842,434	3.78
\$775,000	US Treasury 3.00% 31.07.24	621,963	1.28
		3,669,654	7.53
DERIVATIVES -0.19% (0.31%)			
Forward Currency Contracts^ -0.19% (0.31%)			
Sold €970,000 Bought £837,282 (14.12.23)		(5,718)	(0.01)
Sold \$4,750,000 Bought £3,809,365 (14.12.23)		(80,695)	(0.17)
Sold ¥180,000,000 Bought £995,217 (14.12.23)		(3,324)	(0.01)
		(89,737)	(0.19)
Investment assets		47,537,984	97.66
Net other assets		1,139,444	2.34
Net assets		48,677,428	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 31.03.23.

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

†Represents investment into a related party of the Manager. Apex Fundrock Limited also acts as ACD for this fund.

^At the balance sheet date, all forward currency contracts were executed with one counterparty, Northern Trust Investor Services Ltd ('NTISL') for the purpose of Effective Portfolio Management. Collateral obligations on losses or gains for each transaction would be met using cash held by the Custodian.

At the period end the Sub-fund did not hold shares in any of the other Sub-funds within the MI Charles Stanley Multi Asset Funds.

Total purchases for the period: £7,464,638

Total sales for the period: £4,968,991

	Market value £	% of total net assets 30.09.23	% of total net assets 31.03.23
Analysis of bonds by credit rating^^			
Investment grade (BBB & above)	7,514,088	15.44	12.28

^^Source: NTISL

MI Charles Stanley Multi Asset Moderate Fund

Net Asset Value and Shares in Issue

Class	Net Asset Value	Shares in issue	Net Asset Value per share p	Operating Charges*
A Income	£12,429,877	11,871,052	104.71	0.80%
A Accumulation	£32,620,023	28,354,896	115.04	0.80%
C Accumulation	£3,627,528	3,299,804	109.93	0.80%

*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. The figures used within this table have been calculated by annualising the expenses incurred against the average Net Asset Value for the accounting period.

The Investment Manager currently rebates the Sub-fund's operating charges, excluding the Investment Manager's fee and synthetic ongoing charges (0.30% of operating charges) in order for them not to exceed 0.20% of the Net Asset Value of the Sub-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 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:

- The Sub-fund may invest in cash and cash equivalent securities to try to protect its value in times of market uncertainty but this may not always be successful.
- Changes in exchange rates may cause the value of investments to decrease or increase.
- Investing in other funds may expose you to increased risk due to restrictions on withdrawals, less strict regulations and use of derivatives.
- Investing in bonds offers you income generation and sometimes a gain on your capital. Nevertheless, there is a risk that the organisation which issued the security will fail, which would result in a loss of income to the Sub-fund, along with its initial investment. Fixed income values are likely to fall if interest rates rise.
- There may be cases where the organisation from which we buy an asset (usually a financial institution such as a bank) fails to carry out its obligations, which could cause losses to the Sub-fund.
- Investment grade bonds, as determined by international ratings agencies, potentially produce a lower level of income than non-investment grade securities, but they are also considered to be of lower risk.
- This Sub-fund can use derivatives in order to meet its investment objectives. This may result in gains or losses that are greater than the original amount invested.
- Emerging markets are prone to more political, economic and structural challenges and disclosure standards can be less stringent than those of developed economies. This means your money could be at greater risk.
- The Sub-fund title is not related to the risk rating that appears on the 1-7 scale above, which is based solely on past data.
- For further risk information please see the Prospectus.

Risk warning

An investment in an 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 Charles Stanley Multi Asset Moderate Fund

Statement of Total Return

for the period ended 30 September 2023

	30.09.23		30.09.22	
	£	£	£	£
Income				
Net capital losses		(395,773)		(5,531,233)
Revenue	753,526		484,298	
Expenses	(118,032)		(115,411)	
Interest payable and similar charges	–		–	
Net revenue before taxation	635,494		368,887	
Taxation	(38,852)		(11,769)	
Net revenue after taxation		596,642		357,118
Total return before distributions		200,869		(5,174,115)
Distributions		(267,389)		(253,607)
Change in net assets attributable to Shareholders from investment activities		(66,520)		(5,427,722)

Statement of Change in Net Assets Attributable to Shareholders

for the period ended 30 September 2023

	30.09.23		30.09.22	
	£	£	£	£
Opening net assets attributable to Shareholders		46,053,281		49,685,451
Amounts receivable on issue of shares	7,499,208		5,023,220	
Less: Amounts payable on cancellation of shares	(5,014,441)		(3,916,872)	
		2,484,767		1,106,348
Change in net assets attributable to Shareholders from investment activities (see Statement of Total Return above)		(66,520)		(5,427,722)
Retained distributions on accumulation shares		205,900		195,832
Closing net assets attributable to Shareholders		48,677,428		45,559,909

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

MI Charles Stanley Multi Asset Moderate Fund

Balance Sheet

as at 30 September 2023

	30.09.23		31.03.23	
	£	£	£	£
ASSETS				
Fixed Assets				
Investments		47,627,721		45,663,795
Current Assets				
Debtors	325,701		356,239	
Cash and bank balances	1,984,762		550,432	
Total current assets		2,310,463		906,671
Total assets		49,938,184		46,570,466
LIABILITIES				
Investment liabilities		(89,737)		-
Creditors				
Bank overdrafts	(12)		-	
Distribution payable	(35,613)		(93,511)	
Other creditors	(1,135,394)		(423,674)	
Total creditors		(1,171,019)		(517,185)
Total liabilities		(1,260,756)		(517,185)
Net assets attributable to Shareholders		48,677,428		46,053,281

MI Charles Stanley Multi Asset Moderate Fund

Distribution Tables

for the period ended 30 September 2023

Income Share Distributions

Share class	Distribution	Shares	Net revenue p	Equalisation p	Distribution paid/payable 2023 p	Distribution paid 2022 p
A	First interim	Group 1	0.3000	–	0.3000	0.3000
		Group 2	0.0470	0.2530	0.3000	0.3000
	Second interim	Group 1	0.3000	–	0.3000	0.3000
		Group 2	–	0.3000	0.3000	0.3000

Accumulation Share Distributions

Share class	Distribution	Shares	Net revenue p	Equalisation p	Amount reinvested 2023 p	Amount reinvested 2022 p	
A	First interim	Group 1	0.3280	–	0.3280	0.2989	
		Group 2	–	0.3280	0.3280	0.2989	
	Second interim	Group 1	0.3285	–	–	0.3285	0.3146
		Group 2	–	0.3285	0.3285	0.3285	0.3146
C	First interim	Group 1	0.3136	–	0.3136	0.2408	
		Group 2	–	0.3136	0.3136	0.2408	
	Second interim	Group 1	0.3138	–	–	0.3138	0.2881
		Group 2	–	0.3138	0.3138	0.3138	0.2881

First interim period: 01.04.23 - 30.06.23

Second interim period: 01.07.23 - 30.09.23

Group 1: Shares purchased prior to a distribution period

Group 2: Shares purchased during a distribution period

Equalisation

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

Investment Objective and Policy

for the period ended 30 September 2023

Investment objective

The Sub-fund will aim to achieve a combination of capital growth and income over the medium to long-term.

The Sub-fund will aim for gross returns over an entire market cycle (5 years) in excess of 3% + inflation (as currently measured by the Consumer Price Index). There is no guarantee that this return will be achieved over that, or any, time period, and investors should note that capital is at risk.

Investment policy

The Sub-fund will adopt a global multi asset approach which is neither constrained by a formal benchmark nor by geographic region and will be constructed with diversified exposure to various asset classes selected from the following: equities, fixed income, real estate, alternatives, currencies, commodities, passive investments and actively managed funds. The Sub-fund may also invest in other transferable securities, cash, near cash, deposits and money market funds. Derivatives can also be used for both investment purposes and efficient portfolio management.

The risk profile of the Sub-fund is moderately aggressive and as such the Sub-fund will have an exposure to equities of <85%.

Performance will be measured over an entire market cycle (5 years).

Investment Manager's Report

for the period ended 30 September 2023

General Market Commentary

Concerns about US interest rates have been the main driver of falls in equity markets, with hawkish statements from senior members of the Federal Reserve ('Fed') indicating that interest rates will stay "higher for longer". Jerome Powell, the Chairman of the Federal Reserve, confirmed that he is sticking with the 2% target and is watching wage rises and service sector prices particularly carefully.

The Bank of England's Monetary Policy Committee ('MPC') kept interest rates unchanged at its September meeting, as the UK economy slows. The pause in the hiking cycle followed fourteen consecutive rises starting in December 2021 and the central bank's base rate is at its highest level in 15 years.

This may be the last rate rise in the Bank of England's tightening cycle as many mortgage holders will need to remortgage at these higher levels – a move that will continue to put pressure on consumer confidence. UK inflation data in August also saw a surprise fall. As a result, UK mortgage rates have moved from highs seen earlier in the year.

Headline inflation is on the way down, but wage inflation leading to service sector price increases remains relatively high in the UK and US compared with a 2% inflation target, although wages often lag prices. Employment markets in both countries remain strong, but there are signs of some weakening, which should please policymakers at central banks.

When Christine Lagarde, the head of the European Central Bank, set out her views at the recent Jackson Hole conference, she confirmed the need to keep money tight and get back to its inflation target. Markets have accepted that interest rates in the advanced countries cannot come down again any time soon.

Chinese equities have also been weak as the country's property crisis accelerates. Hui Ka Yan, the billionaire chair behind Chinese property group Evergrande, was placed under house arrest. He is reportedly being investigated on suspicion of transferring assets offshore while the indebted property developer struggles to complete unfinished projects and renegotiate its debt.

Nevertheless, economic activity in the Asian powerhouse appeared to improve in August, with data suggesting a downturn in growth may be stabilising. However, much uncertainty remains. We expect some further targeted interventions from Beijing to stimulate the kind of growth in technology and the type of consumer spending favoured by the government.

In the US, Nvidia confirmed excellent results from its artificial intelligence ('AI') related products, which was necessary given the dramatic performance of its shares. This year, the US digital giants that suffered in the big market sell off last year as rates rose, have recovered much of their poise.

Microsoft, Alphabet's Google and Amazon Web Services are competing for the supercharged growth available in doing business in the cloud, adding AI to the service offering. The digital revolution thunders on, with China now needing more self-reliance as the US-led bloc and the China led bloc seek to avoid sharing intellectual property.

MI Charles Stanley Multi Asset Growth Fund

Investment Manager's Report

continued

Markets think the US can engineer a soft landing and get inflation down without too much additional economic damage. The UK market expects a continuing tight money policy to curb inflation, which will impede growth. However, if a recession does emerge, it is expected to be shallow.

Outlook

The US has proven remarkably resilient over the year, but we expect a slowdown as the effects of monetary tightening work their way through the economy. Deeper recessions that were a real risk over the past year in Europe and the UK are unlikely to occur, while the momentum in Japan of above-trend growth will be hard to sustain. Therefore, a rebound in global growth is not likely before the middle of next year at the earliest.

We expect US headline inflation to fall towards target by the end of 2024 although core inflation remains an issue. The latter should prompt the Fed to keep rates higher for longer with rate cuts coming through mid-2024 at the earliest. Inflation in the UK is higher and falling slower than in the US and the EU, so reaching target will take longer than the current market consensus to reach 2% by Q2 2025. We argue that the Bank of England needs to pause and let the rate rises to date have their lagged impact especially as most of inflationary variables are improving. From here onward, continuous rate rises will pose a real deep recession risk. That is the greatest risk we see to UK growth improving from here.

Looking forward we expect dispersion to accelerate and create more opportunities for investors. While we have an optimistic view of both investment grade and high-yield corporate credit relative to equities, we maintain a strong preference for high quality credit (investment grade) exposures.

During the six months that ended on the 30 September 2023, the Sub-fund reported a total return of +0.5% compared to +4.2% for the CPI + 3.0% long-term performance target. (Source: Financial Express Analytics as at 30 September 2023, A Accumulation shares, total return, sterling, bid-to-bid, net income reinvested, net of ongoing charges and fees).

During the period we rebalanced the portfolio twice (May 2023 and July 2023) to adapt to another year of heightened volatility across asset classes.

The first rebalancing changes in May 2023, can be summarised as:

- Continuation of the duration extension with this tranche also rotating some of our predominantly US sovereign exposure towards UK gilts.
- Introduction of specific UK Mid Cap exposure alongside our broader UK equity allocation.
- Diversification of our property allocation to capture the opportunities in the European Closed-ended property universe.

Throughout 2022 we were holding the majority of our fixed income exposure in short duration/maturity vehicles, in order to insulate the portfolios for the rising yield environment that was seen across the globe. Towards the end of 2022 having seen yields and credit spreads re-rate we began to extend the duration within the fixed income allocation. Timing is difficult in these top-down and rate driven decisions so we wanted to do this over a number of tranches as we moved back towards a neutral position on duration – with another move being carried out in this rebalance. We have typically looked towards the US Treasury market for its risk-off characteristics and attractive yield premium in recent years, but note that this has now reversed at the middle maturities such that UK sovereign bonds around the 10 year maturity now offer 50bp more in yield terms than the US. Coupling this with the brinkmanship on show as they approach the self-imposed “Debt Ceiling”, it made sense to us to implement this latest trade via the UK rather than US, with shorter dated US Treasuries part of the funding source.

We have continued to hold most of our equity allocation within companies with larger market capitalisation and predominantly in the US. The macroeconomic backdrop has not been favourable to smaller capitalisation companies who have been hit disproportionately compared to larger companies due to lack of pricing power in an inflationary environment and slowing economic growth/recession expectations. We have been considering the relative allocation to smaller capitalisation exposure within the equity exposure given the extent of the negativity priced into these companies compared to their larger counterparts. Following a comparison of smaller capitalisation indices across US, UK and Europe, we have initiated a position in the Legal & General UK MID Cap Index which tracks the performance of the FTSE 250 ex Investment Trusts Index. The index was trading on just under 11x earnings, which is the most depressed level since the global financial crisis and provides significant downside headroom given the level of negativity this already reflects.

Investment Manager's Report

continued

In May 2023, following a review of our preferred funds and meetings with the managers we alighted on splitting our exposure between the existing L&G Global Real Estate Dividend and introducing TR Property Investment alongside. The attraction of our long-time holding in the L&G funds is its broad diversification across geographies, sectors and underlying investments. It is tilted towards the US as you would expect but has good geographic diversification across the US states. TR Property Investment on the other hand is a pan-European vehicle investing across the UK and continental Europe, with the ability to rotate positioning through the various sectors accessible via listed property funds. The Sub-fund itself was trading on a 10% discount along with many of the underlying vehicles it owns also trading on 10-30% discounts – which offered us some comfort that while a rapid re-rating of property exposures is not part of our base case, there was a cushion already built into the valuations against further falls.

The second rebalancing took place a few months later in July 2023, and the changes can be summarised as follows:

- Increasing our USD exposure within our North American Equity allocation by taking off some of the FX Forward hedges while topping up S&P Equal Weight positions.

Financial markets remain dominated by inflation prints and interest rate projections. In the US, recent inflationary data would suggest that the world's largest economy is close to its target of defeating inflation, remarkably without having had a substantially adverse negative impact on the economy (so far). In the UK, this trajectory looks quite different, with persistent inflation driven by wage growth and other factors, forcing the Bank of England to hike interest rates further than expected. What is true of both areas is that the move up in bond yields has presented substantial opportunities for fixed income investors. Short-dated UK and US government bonds are offering a yield to maturity in excess of 4.5%, meanwhile the spread offered above government bonds have made pockets of investment grade and high yield bonds look quite attractive.

Undoubtedly, the rate hike backdrop that we have experienced in the last 18 months has meant that economic growth has been slowing. This falls into our base case where we believe growth will slow and there may be some recessions in the developed world, though shallow in nature. Corporate earnings have remained remarkably resilient as consumers have continued to spend amidst all these pressures. This is something that we are monitoring closely as we are conscious that should consumer strength slow, possibly due to excess savings having dwindled or other, these resilient margins could wobble.

On the face of it, there remains some upside potential for equities, particularly if the market becomes more comfortable that the inflationary regime is ending and the odds of a 'soft landing' increase. Conversely, equity market performance year to date has been strong so far, and the valuations on offer in fixed income markets are very compelling. For this reason, we felt that the next step for asset allocation was risk level specific. For investors in risk levels Low and Medium-low, we were of the view that on a relative risk adjusted basis, trimming some equity risk for short-dated fixed income was compelling. In the Growth and Adventurous Sub-funds, we felt that the risk tolerance implied in these risk profiles justifies retaining equity allocations where they were, at near neutral levels to our Strategic Asset Allocation ('SAA').

Finally, the other change we have made is to adjust our US dollar hedging in equities to increase the US dollar exposure. Sterling had a remarkable run relative to overseas currencies over the last nine months. After the falls in Treasury markets last year, the US dollar is unique in being one of the few safe haven assets to have offered protection to portfolios during each major equity market downturn over the last 20 years. Having depreciated relative to Sterling by a considerable degree, it felt like a good time to accumulate more across the risk levels as a defensive asset in portfolios.

At the Sub-fund level, the Equity allocation returned +2.2%, Fixed Income +0.5% and Alternatives strategies -4.7%.

Within the Fixed Income allocation, the only detractor to the Sub-fund were Government bonds which posted -2.9% total returns. The largest contributor were High Yield bonds with a +4.2% total return.

Within the Equity allocation, returns ranged from +7.1% for North America Equities to -12.7% for the Global Equity / Thematic bucket due to the Global Energy transition fund which was hampered by its sensitivity to bond yields from its longer duration earnings. Nonetheless, we continue to believe that the longer-term picture is intact, governments will continue to invest in energy transition and arguably, valuations are now cheaper suggesting a reasonable entry for the future.

MI Charles Stanley Multi Asset Growth Fund

Investment Manager's Report

continued

The Alternatives allocation is split across three buckets, Private Debt, Property and Infrastructure with respective total return of +7.9%, -3.1%, -10.2%. Property and Infrastructure were hampered by the selloff in government bonds yields whilst the Private debt trust benefited due to its exposure to floating rate debt. In addition, the investment trusts we hold were disproportionately marked down. Several factors were at play, notably the Bank of England's 100bps rate rise over the period (2 x 25bps and a surprising 50bps) and the continuous asset allocation shift from alternative income to traditional fixed income which does not suffer to the same extent from illiquidity, equity-like volatility, and discount risk whilst now providing an attractive income level. It also appears that some market participants (CTAs and global macro funds) sell the FTSE 250 index as a proxy for UK PLCs and the rather gloomy outlook they face. Investment trust components of that benchmark tend to suffer disproportionately on the downside and this is perhaps worse as liquidity is thinner during the summer months. The trusts we hold invest in real assets such as wind and solar farms, care houses, supermarkets and infrastructure. These have quality assets with inflation-linked cash flows which make them a compelling investment over the long-term.

Significant Portfolio Changes

for the period ended 30 September 2023

Major purchases since 1 April 2023

	Cost
	£
UK Treasury 0.875% 31.07.33	943,091
TR Property Investment	806,031
Legal & General UK Mid Cap Index - C Distribution	801,871
UK Treasury 3.25% 31.01.33	714,293
UK Treasury 0% 17.07.23	465,569
Xtracker S&P 500 Equal Weight ETF	281,159
Legal & General UK Index - C Distribution	80,196
	<hr/>
	4,092,210

Major sales since 1 April 2023

	Proceeds
	£
Stewart Investors Asia Pacific Sustainability - B Accumulation GBP	794,991
Legal & General Global Real Estate Dividend Index - C Distribution	789,567
UK Treasury 0% 17.07.23	467,737
Schroder Asian Total Return Investment	381,268
US Treasury 1.5% 31.10.24	327,768
Man GLG High Yield Opportunities Hedged - IF Income GBP	322,041
M&G Japan Fund Sterling - PP Income	235,833
UK Treasury 0% 03.04.23	200,000
MI Charles Stanley Equity - A Income	199,337
Schroder Global Energy Transition - Class Q1 Income GBP	141,253
	<hr/>
	3,859,795

MI Charles Stanley Multi Asset Growth Fund

Portfolio Statement

as at 30 September 2023

Holding	Security	Market value £	% of total net assets 2023
Alternatives 8.18% (9.29%)			
430,000	Foresight Solar	398,610	0.89
311,275	Greencoat UK Wind	435,785	0.97
263,404	HICL Infrastructure	326,621	0.73
317,281	International Public Partnerships	392,794	0.87
970,273	Legal & General Global Infrastructure Index - C Distribution*	620,587	1.38
1,415,000	Sequoia Economic Infrastructure Income	1,175,865	2.61
310,000	The Renewables Infrastructure Group	330,460	0.73
		3,680,722	8.18
Asia ex-Japan Equities 8.01% (10.42%)			
457,073	Schroder Asian Total Return Investment	1,855,716	4.12
210,956	Stewart Investors Asia Pacific Sustainability - B Accumulation GBP*	1,748,633	3.89
		3,604,349	8.01
Emerging Market Equities 3.16% (3.50%)			
1,387,306	JPMorgan Emerging Markets Investment	1,423,376	3.16
European Equities 3.75% (3.76%)			
497,554	Legal & General European Index - C Income*	1,688,199	3.75
Global Equities 6.20% (7.42%)			
520,943	Baillie Gifford Positive Change - B Income*	1,502,920	3.34
2,923,349	Schroder Global Energy Transition - Class Q1 Income GBP*	1,288,320	2.86
		2,791,240	6.20
High Yield Corporate Bonds 5.04% (5.35%)			
17,128	Man GLG High Yield Opportunities Hedged- IF Income GBP*	2,265,321	5.04
Inflation-Linked Bonds 2.48% (2.44%)			
\$1,200,000	US Treasury 0.75% Index-Linked 15.07.28	1,113,871	2.48
Investment Grade Corporate Bonds 5.70% (5.58%)			
19,768	iShares £ Corporate Bond 0-5yr UCITS ETF - GBP Distribution	1,910,973	4.25
1,402,472	Legal & General Sterling Corporate Bond Index - C Income*	653,692	1.45
		2,564,665	5.70
Japanese Equities 5.11% (5.34%)			
75,358	Baillie Gifford Japanese - B Income*	1,102,491	2.45
910,479	M&G Japan Fund Sterling - PP Income*	1,194,458	2.66
		2,296,949	5.11
Property 3.82% (3.86%)			
1,666,835	Legal & General Global Real Estate Dividend Index - C Distribution*	916,759	2.04
286,180	TR Property Investment	802,735	1.78
		1,719,494	3.82
UK Equities 5.76% (4.18%)			
186,533	Legal & General UK Index - C Distribution*	312,815	0.70
1,601,621	Legal & General UK Mid Cap Index - C Distribution*	775,985	1.72
769,275	MI Charles Stanley Equity - A Income*†	1,502,687	3.34
		2,591,487	5.76

MI Charles Stanley Multi Asset Growth Fund

Portfolio Statement

continued

Holding	Security	Market value £	% of total net assets 2023
US Equities 31.59% (28.12%)			
4,730	Invesco EQQQ Nasdaq - 100 UCITS ETF	1,402,303	3.12
237,000	iShares Core S&P 500 UCITS ETF - GBP (hedged) Distribution	1,732,470	3.85
584,858	Legal & General US Index - C Income*	4,171,795	9.27
55,381	Vanguard S&P 500 UCITS ETF	3,707,758	8.24
51,005	Xtracker S&P 500 Equal Weight ETF	3,197,372	7.11
		14,211,698	31.59
UK Government Bonds 6.27% (2.96%)			
£790,000	UK Treasury 0.125% 22.03.24	1,210,801	2.69
£1,293,113	UK Treasury 0.875% 31.07.33	927,977	2.06
£750,000	UK Treasury 3.25% 31.01.33	682,560	1.52
		2,821,338	6.27
US Government Bonds 3.73% (4.72%)			
\$1,900,000	US Treasury 0.625% 15.05.30	1,205,257	2.68
\$630,000	US Treasury 2.25% 15.08.27	471,661	1.05
		1,676,918	3.73
DERIVATIVES -0.32% (0.45%)			
Forward Currency Contracts^ -0.32% (0.45%)			
Sold €990,000 Bought £854,545 (14.12.23)		(5,836)	(0.01)
Sold \$7,900,000 Bought £6,335,575 (14.12.23)		(134,208)	(0.30)
Sold ¥210,000,000 Bought £1,161,087 (14.12.23)		(3,878)	(0.01)
		(143,922)	(0.32)
Investment assets		44,305,705	98.48
Net other assets		685,136	1.52
Net assets		44,990,841	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 31.03.23.

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

†Represents investment into a related party of the Manager. Apex Fundrock Limited also acts as ACD for this fund.

^At the balance sheet date, all forward currency contracts were executed with one counterparty, Northern Trust Investor Services Limited ('NTISL') for the purpose of Effective Portfolio Management. Collateral obligations on losses or gains for each transaction would be met using cash held by the Custodian.

At the period end the Sub-fund did not hold shares in any of the other Sub-funds within the MI Charles Stanley Multi Asset Funds.

Total purchases for the period: £4,092,210

Total sales for the period: £4,446,605

	Market value £	% of total net assets 30.09.23	% of total net assets 31.03.23
Analysis of bonds by credit rating^^			
AAA credit rated bonds	5,612,127	12.48	10.11

^^Source: NTISL

Net Asset Value and Shares in Issue

Class	Net Asset Value	Shares in issue	Net Asset Value per share p	Operating Charges*
A Income	£4,957,318	4,447,484	111.46	0.85%
A Accumulation	£33,772,522	27,405,600	123.23	0.85%
B Accumulation	£3,446,294	2,120,270	162.54	0.85%
C Accumulation	£2,814,707	2,440,035	115.36	0.85%

*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. The figures used within this table have been calculated by annualising the expenses incurred against the average Net Asset Value for the accounting period.

The Investment Manager currently rebates the Sub-fund's operating charges, excluding the Investment Manager's fee and synthetic ongoing charges (0.35% of operating charges) in order for them not to exceed 0.20% of the Net Asset Value of the Sub-fund.

MI Charles Stanley Multi Asset Growth 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 indicator.



The Sub-fund is ranked 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:

- The Sub-fund may invest in cash and cash equivalent securities to try to protect its value in times of market uncertainty but this may not always be successful.
- Changes in exchange rates may cause the value of investments to decrease or increase.
- Investing in other funds may expose you to increased risk due to restrictions on withdrawals, less strict regulations and use of derivatives.
- Investing in bonds offers you income generation and sometimes a gain on your capital. Nevertheless, there is a risk that the organisation which issued the security will fail, which would result in a loss of income to the Sub-fund, along with its initial investment. Fixed income values are likely to fall if interest rates rise.
- There may be cases where the organisation from which we buy an asset (usually a financial institution such as a bank) fails to carry out its obligations, which could cause losses to the Sub-fund.
- Investment grade bonds, as determined by international ratings agencies, potentially produce a lower level of income than non-investment grade securities, but they are also considered to be of lower risk.
- This Sub-fund can use derivatives in order to meet its investment objectives. This may result in gains or losses that are greater than the original amount invested.
- Emerging markets are prone to more political, economic and structural challenges and disclosure standards can be less stringent than those of developed economies. This means your money could be at greater risk.
- The Sub-fund title is not related to the risk rating that appears on the 1-7 scale above, which is based solely on past data.
- For further risk information please see the Prospectus.

Risk warning

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

Statement of Total Return

for the period ended 30 September 2023

	30.09.23		30.09.22	
	£	£	£	£
Income				
Net capital losses		(248,939)		(6,192,236)
Revenue	697,243		462,064	
Expenses	(113,208)		(116,618)	
Interest payable and similar charges	(3,149)		(36)	
Net revenue before taxation	580,886		345,410	
Taxation	(14,040)		-	
Net revenue after taxation		566,846		345,410
Total return before distributions		317,907		(5,846,826)
Distributions		(258,397)		(251,268)
Change in net assets attributable to Shareholders from investment activities		59,510		(6,098,094)

Statement of Change in Net Assets Attributable to Shareholders

for the period ended 30 September 2023

	30.09.23		30.09.22	
	£	£	£	£
Opening net assets attributable to Shareholders		46,424,322		51,189,328
Amounts receivable on issue of shares	3,657,893		3,345,716	
Less: Amounts payable on cancellation of shares	(5,368,182)		(3,822,402)	
		(1,710,289)		(476,686)
Change in net assets attributable to Shareholders from investment activities (see Statement of Total Return above)		59,510		(6,098,094)
Retained distributions on accumulation shares		217,298		210,682
Closing net assets attributable to Shareholders		44,990,841		44,825,230

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

MI Charles Stanley Multi Asset Growth Fund

Balance Sheet

as at 30 September 2023

	£	30.09.23	£	£	31.03.23	£
ASSETS						
Fixed Assets						
Investments		44,449,627			45,213,466	
Current Assets						
Debtors	317,129			327,972		
Cash and bank balances	691,632			1,056,703		
Total current assets		1,008,761			1,384,675	
Total assets		45,458,388			46,598,141	
LIABILITIES						
Investment liabilities		(143,922)			-	
Creditors						
Distribution payable	(13,342)			(52,485)		
Other creditors	(310,283)			(121,334)		
Total creditors		(323,625)			(173,819)	
Total liabilities		(467,547)			(173,819)	
Net assets attributable to Shareholders		44,990,841			46,424,322	

MI Charles Stanley Multi Asset Growth Fund

Distribution Tables

for the period ended 30 September 2023

Income Share Distributions

Share class	Distribution	Shares	Net revenue p	Equalisation p	Distribution paid/payable 2023 p	Distribution paid 2022 p
A	First interim	Group 1	0.3000	–	0.3000	0.3000
		Group 2	–	0.3000	0.3000	0.3000
	Second interim	Group 1	0.3000	–	0.3000	0.3000
		Group 2	–	0.3000	0.3000	0.3000

Accumulation Share Distributions

Share class	Distribution	Shares	Net revenue p	Equalisation p	Amount reinvested 2023 p	Amount reinvested 2022 p
A	First interim	Group 1	0.3299	–	0.3299	0.3123
		Group 2	–	0.3299	0.3299	0.3123
	Second interim	Group 1	0.3306	–	0.3306	0.3202
		Group 2	–	0.3306	0.3306	0.3202
B	First interim	Group 1	–	0.4351	0.4351	0.3875
		Group 2	–	0.4351	0.4351	0.3875
	Second interim	Group 1	0.4357	–	0.4357	0.4137
		Group 2	–	0.4357	0.4357	0.4137
C	First interim	Group 1	0.3087	–	0.3087	0.3031
		Group 2	0.0508	0.2579	0.3087	0.3031
	Second interim	Group 1	0.3100	–	0.3100	0.3004
		Group 2	–	0.3100	0.3100	0.3004

First interim period: 01.04.23 - 30.06.23

Second interim period: 01.07.23 - 30.09.23

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 Charles Stanley Multi Asset Adventurous Fund

Investment Objective and Policy

for the period ended 30 September 2023

Investment objective

The Sub-fund will aim to achieve a combination of capital growth and income over the medium to long-term.

The Sub-fund will aim for gross returns over an entire market cycle (5 years) in excess of 4% + inflation (as currently measured by the Consumer Price Index). There is no guarantee that this return will be achieved over that, or any, time period, and investors should note that capital is at risk.

Investment policy

The Sub-fund will adopt a global multi asset approach which is neither constrained by a formal benchmark nor by geographic region and will be constructed with diversified exposure to various asset classes selected from the following: equities, fixed income, real estate, alternatives, currencies, commodities, passive investments and actively managed funds. The Sub-fund may also invest in other transferable securities, cash, near cash, deposits and money market funds. Derivatives can also be used for both investment purposes and efficient portfolio management.

The risk profile of the Sub-fund is aggressive and as such the Sub-fund will have an exposure to equities of up to 100%.

Performance will be measured over an entire market cycle (5 years).

Investment Manager's Report

for the period ended 30 September 2023

General Market Commentary

Concerns about US interest rates have been the main driver of falls in equity markets, with hawkish statements from senior members of the Federal Reserve ('Fed') indicating that interest rates will stay "higher for longer". Jerome Powell, the Chairman of the Federal Reserve, confirmed that he is sticking with the 2% target and is watching wage rises and service sector prices particularly carefully.

The Bank of England's Monetary Policy Committee ('MPC') kept interest rates unchanged at its September meeting, as the UK economy slows. The pause in the hiking cycle followed fourteen consecutive rises starting in December 2021 and the central bank's base rate is at its highest level in 15 years.

This may be the last rate rise in the Bank of England's tightening cycle as many mortgage holders will need to remortgage at these higher levels – a move that will continue to put pressure on consumer confidence. UK inflation data in August also saw a surprise fall. As a result, UK mortgage rates have moved from highs seen earlier in the year.

Headline inflation is on the way down, but wage inflation leading to service sector price increases remains relatively high in the UK and US compared with a 2% inflation target, although wages often lag prices. Employment markets in both countries remain strong, but there are signs of some weakening, which should please policymakers at central banks.

When Christine Lagarde, the head of the European Central Bank, set out her views at the recent Jackson Hole conference, she confirmed the need to keep money tight and get back to its inflation target. Markets have accepted that interest rates in the advanced countries cannot come down again any time soon.

Chinese equities have also been weak as the country's property crisis accelerates. Hui Ka Yan, the billionaire chair behind Chinese property group Evergrande, was placed under house arrest. He is reportedly being investigated on suspicion of transferring assets offshore while the indebted property developer struggles to complete unfinished projects and renegotiate its debt.

Nevertheless, economic activity in the Asian powerhouse appeared to improve in August, with data suggesting a downturn in growth may be stabilising. However, much uncertainty remains. We expect some further targeted interventions from Beijing to stimulate the kind of growth in technology and the type of consumer spending favoured by the government.

In the US, Nvidia confirmed excellent results from its artificial intelligence ('AI') related products, which was necessary given the dramatic performance of its shares. This year, the US digital giants that suffered in the big market sell off last year as rates rose, have recovered much of their poise.

Microsoft, Alphabet's Google and Amazon Web Services are competing for the supercharged growth available in doing business in the cloud, adding AI to the service offering. The digital revolution thunders on, with China now needing more self-reliance as the US-led bloc and the China led bloc seek to avoid sharing intellectual property.

Investment Manager's Report

continued

Markets think the US can engineer a soft landing and get inflation down without too much additional economic damage. The UK market expects a continuing tight money policy to curb inflation, which will impede growth. However, if a recession does emerge, it is expected to be shallow.

Outlook

The US has proven remarkably resilient over the year, but we expect a slowdown as the effects of monetary tightening work their way through the economy. Deeper recessions that were a real risk over the past year in Europe and the UK are unlikely to occur, while the momentum in Japan of above-trend growth will be hard to sustain. Therefore, a rebound in global growth is not likely before the middle of next year at the earliest.

We expect US headline inflation to fall towards target by the end of 2024 although core inflation remains an issue. The latter should prompt the Fed to keep rates higher for longer with rate cuts coming through mid-2024 at the earliest. Inflation in the UK is higher and falling slower than in the US and the EU, so reaching target will take longer than the current market consensus to reach 2% by Q2 2025. We argue that the Bank of England needs to pause and let the rate rises to date have their lagged impact especially as most of inflationary variables are improving. From here onward, continuous rate rises will pose a real deep recession risk. That is the greatest risk we see to UK growth improving from here.

Looking forward we expect dispersion to accelerate and create more opportunities for investors. While we have an optimistic view of both investment grade and high-yield corporate credit relative to equities, we maintain a strong preference for high quality credit (investment grade) exposures.

During the six months that ended on the 30 September 2023, the Sub-fund reported a total return of +1.5% compared to +4.7% for the CPI + 4% long-term performance target. (Source: Financial Express Analytics as at 30 September 2023, A Accumulation shares, total return, sterling, bid-to-bid, net income reinvested, net of ongoing charges and fees).

During the period we rebalanced the portfolio twice (May 2023 and July 2023) to adapt to another year of heightened volatility across asset classes.

The first rebalancing changes in May 2023, can be summarised as:

- Continuation of the duration extension with this tranche also rotating some of our predominantly US sovereign exposure towards UK gilts.
- Introduction of specific UK Mid Cap exposure alongside our broader UK equity allocation.
- Diversification of our property allocation to capture the opportunities in the European Closed-Ended property universe.

Throughout 2022 we were holding most of our fixed income exposure in short duration/maturity vehicles, in order to insulate the portfolios for the rising yield environment that was seen across the globe. Towards the end of 2022 having seen yields and credit spreads re-rate we began to extend the duration within the fixed income allocation. Timing is difficult in these top-down and rate driven decisions so we wanted to do this over a number of tranches as we moved back towards a neutral position on duration – with another move being carried out in this rebalance. We have typically looked towards the US Treasury market for its risk-off characteristics and attractive yield premium in recent years, but note that this has now reversed at the middle maturities such that UK sovereign bonds around the 10 year maturity now offer 50bp more in yield terms than the US. Coupling this with the brinkmanship on show as they approach the self-imposed “Debt Ceiling”, it made sense to us to implement this latest trade via the UK rather than US, with shorter dated US Treasuries part of the funding source.

We have continued to hold most of our equity allocation within companies with larger market capitalisation and predominantly in the US. The macroeconomic backdrop has not been favourable to smaller capitalisation companies who have been hit disproportionately compared to larger companies due to lack of pricing power in an inflationary environment and slowing economic growth/recession expectations. We have been considering the relative allocation to smaller capitalisation exposure within the equity exposure given the extent of the negativity priced into these companies compared to their larger counterparts. Following a comparison of smaller capitalisation indices across US, UK and Europe, we have initiated a position in the Legal & General UK MID Cap Index which tracks the performance of the FTSE 250 ex Investment Trusts Index. The index was trading on just under 11x earnings, which is the most depressed level since the global financial crisis and provides significant downside headroom given the level of negativity this already reflects.

MI Charles Stanley Multi Asset Adventurous Fund

Investment Manager's Report

continued

In May 2023, following a review of our preferred funds and meetings with the managers we alighted on splitting our exposure between the existing L&G Global Real Estate Dividend and introducing TR Property Investment alongside. The attraction of our long-time holding in the L&G funds is its broad diversification across geographies, sectors and underlying investments. It is tilted towards the US as you would expect but has good geographic diversification across the US states. TR Property Investment on the other hand is a pan-European vehicle investing across the UK and continental Europe, with the ability to rotate positioning through the various sectors accessible via listed property funds. The Sub-fund itself was trading on a 10% discount along with many of the underlying vehicles it owns also trading on 10-30% discounts – which offered us some comfort that while a rapid re-rating of property exposures is not part of our base case, there was a cushion already built into the valuations against further falls.

The second rebalancing took place a few months later in July 2023, and the changes can be summarised as follows:

- Increasing our USD exposure within our North American Equity allocation by taking off some of the FX Forward hedges while topping up S&P Equal Weight positions.

Financial markets remain dominated by inflation prints and interest rate projections. In the US, recent inflationary data would suggest that the world's largest economy is close to its target of defeating inflation, remarkably without having had a substantially adverse negative impact on the economy (so far). In the UK, this trajectory looks quite different, with persistent inflation driven by wage growth and other factors, forcing the Bank of England to hike interest rates further than expected. What is true of both areas is that the move up in bond yields has presented substantial opportunities for fixed income investors. Short-dated UK and US government bonds are offering a yield to maturity in excess of 4.5%, meanwhile the spread offered above government bonds have made pockets of investment grade and high yield bonds look quite attractive.

Undoubtedly, the rate hike backdrop that we have experienced in the last 18 months has meant that economic growth has been slowing. This falls into our base case where we believe growth will slow and there may be some recessions in the developed world, though shallow in nature. Corporate earnings have remained remarkably resilient as consumers have continued to spend amidst all these pressures. This is something that we are monitoring closely as we are conscious that should consumer strength slow, possibly due to excess savings having dwindled or other, these resilient margins could wobble.

On the face of it, there remains some upside potential for equities, particularly if the market becomes more comfortable that the inflationary regime is ending and the odds of a 'soft landing' increase. Conversely, equity market performance year to date has been strong so far, and the valuations on offer in fixed income markets are very compelling. For this reason, we felt that the next step for asset allocation was risk level specific. For investors in risk levels Low and Medium-low, we were of the view that on a relative risk adjusted basis, trimming some equity risk for short-dated fixed income was compelling. In the Growth and Adventurous Sub-funds, we felt that the risk tolerance implied in these risk profiles justifies retaining equity allocations where they were, at near neutral levels to our Strategic Asset Allocation ('SAA').

Finally, the other change we have made is to adjust our US dollar hedging in equities to increase the US dollar exposure. Sterling had a remarkable run relative to overseas currencies over the last nine months. After the falls in Treasury markets last year, the US dollar is unique in being one of the few safe haven assets to have offered protection to portfolios during each major equity market downturn over the last 20 years. Having depreciated relative to Sterling by a considerable degree, it felt like a good time to accumulate more across the risk levels as a defensive asset in portfolios.

At the Sub-fund level, the Equity allocation returned +2.8%, Fixed Income +1.6% and Alternatives strategies -4.3%.

Within the Fixed Income allocation, the only detractor to the Sub-fund were Government bonds which posted -3.0% total returns. The largest contributor were High Yield bonds with a +4.2% total return.

Within the Equity allocation, returns ranged from +7.5% for North America Equities to -13.2% for the Global Equity / Thematic bucket due to the Global Energy transition fund which was hampered by its sensitivity to bond yields from its longer duration earnings. Nonetheless, we continue to believe that the longer-term picture is intact, governments will continue to invest in energy transition and arguably, valuations are now cheaper suggesting a reasonable entry for the future.

Investment Manager's Report

continued

The Alternatives allocation is split across three buckets, Private Debt, Property and Infrastructure with respective total return of +7.9%, -3.1%, -9.4%. Property and Infrastructure were hampered by the selloff in government bonds yields whilst the Private debt trust benefited due to its exposure to floating rate debt. In addition, the investment trusts we hold were disproportionately marked down. Several factors were at play, notably the Bank of England's 100bps rate rise over the period (2 x 25bps and a surprising 50bps) and the continuous asset allocation shift from alternative income to traditional fixed income which does not suffer to the same extent from illiquidity, equity-like volatility, and discount risk whilst now providing an attractive income level. It also appears that some market participants (CTAs and global macro funds) sell the FTSE 250 index as a proxy for UK PLCs and the rather gloomy outlook they face. Investment trust components of that benchmark tend to suffer disproportionately on the downside and this is perhaps worse as liquidity is thinner during the summer months. The trusts we hold invest in real assets such as wind and solar farms, care houses, supermarkets and infrastructure. These have quality assets with inflation-linked cash flows which make them a compelling investment over the long-term.

Significant Portfolio Changes

for the period ended 30 September 2023

Major purchases since 1 April 2023

	Cost
	£
TR Property Investment	197,157
Legal & General UK Mid Cap Index - C Distribution	188,054
UK Treasury 3.25% 31.01.33	161,906
UK Treasury 0.875% 31.07.33	123,146
Xtracker S&P 500 Equal Weight ETF	97,524
	<hr/>
	767,787

Major sales since 1 April 2023

	Proceeds
	£
Legal & General Global Real Estate Dividend Index - C Distribution	229,653
US Treasury 2.25% 15.11.27	138,792
Stewart Investors Asia Pacific Sustainability - B Accumulation GBP	73,249
Invesco EQQQ Nasdaq - 100 UCITS ETF	63,746
Man GLG High Yield Opportunities Hedged- IF Income GBP	61,481
Legal & General US Index - C Income	36,809
Xtrackers S&P 500 UCITS ETF	31,280
JPMorgan Emerging Markets Investment	24,612
Baillie Gifford Japanese - B Income	21,854
M&G Japan Fund Sterling - PP Income	21,214
	<hr/>
	702,690

MI Charles Stanley Multi Asset Adventurous Fund

Portfolio Statement

as at 30 September 2023

Holding	Security	Market value £	% of total net assets 2023
Alternatives 6.08% (9.19%)			
100,000	Foresight Solar	92,700	0.90
75,112	Greencoat UK Wind	105,157	1.02
40,220	HICL Infrastructure	49,873	0.49
55,285	International Public Partnerships	68,443	0.67
310,000	Sequoia Economic Infrastructure Income	257,610	2.51
47,000	The Renewables Infrastructure Group	50,102	0.49
		623,885	6.08
Asia ex-Japan Equities 11.27% (11.96%)			
138,355	Schroder Asian Total Return Investment	561,721	5.47
71,807	Stewart Investors Asia Pacific Sustainability - B Accumulation GBP*	595,216	5.80
		1,156,937	11.27
Emerging Market Equities 3.65% (4.06%)			
365,554	JPMorgan Emerging Markets Investment	375,058	3.65
European Equities 4.15% (4.23%)			
125,655	Legal & General European Index - C Income*	426,346	4.15
Global Equities 6.46% (7.35%)			
115,896	Baillie Gifford Positive Change - B Income*	334,360	3.26
744,122	Schroder Global Energy Transition - Class Q1 Income GBP*	327,934	3.20
		662,294	6.46
High Yield Corporate Bonds 4.89% (5.20%)			
3,797	Man GLG High Yield Opportunities Hedged- IF Income GBP*	502,215	4.89
Inflation-Linked Bonds 1.54% (1.54%)			
\$170,000	US Treasury 0.75% Index-Linked 15.07.28	157,798	1.54
Japanese Equities 5.98% (6.13%)			
18,000	Baillie Gifford Japanese - B Income*	263,339	2.57
266,615	M&G Japan Fund Sterling - PP Income*	349,772	3.41
		613,111	5.98
Property 4.14% (4.61%)			
415,599	Legal & General Global Real Estate Dividend Index - C Distribution*	228,579	2.23
70,000	TR Property Investment	196,350	1.91
		424,929	4.14
UK Equities 6.20% (4.59%)			
50,469	Legal & General UK Index - C Distribution*	84,637	0.82
374,609	Legal & General UK Mid Cap Index - C Distribution*	181,498	1.77
189,540	MI Charles Stanley Equity - A Income*†	370,243	3.61
		636,378	6.20
US Equities 40.41% (35.13%)			
1,480	Invesco EQQQ Nasdaq - 100 UCITS ETF	438,776	4.28
95,990	iShares Core S&P 500 UCITS - GBP (hedged) Distribution	701,687	6.84
404,476	Legal & General Global Infrastructure - C Income*	258,703	2.52
128,152	Legal & General US Index - C Income*	914,106	8.91
13,354	Vanguard S&P 500 UCITS ETF	894,050	8.71
8,632	Xtrackers S&P 500 Equal Weight ETF	541,118	5.27
5,600	Xtrackers S&P 500 UCITS ETF	397,712	3.88
		4,146,152	40.41

MI Charles Stanley Multi Asset Adventurous Fund

Portfolio Statement

continued

Holding	Security	Market value £	% of total net assets 2023
UK Government Bonds 4.18% (1.43%)			
£100,000	UK Treasury 0.125% 22.03.24	153,266	1.49
£168,637	UK Treasury 0.875% 31.07.33	121,019	1.18
£170,000	UK Treasury 3.25% 31.01.33	154,714	1.51
		428,999	4.18
US Government Bonds 0.00% (1.36%)			
DERIVATIVES -0.11% (0.21%)			
Forward Currency Contracts[^] -0.11% (0.21%)			
Sold €250,000 Bought £215,794 (14.12.23)		(1,474)	(0.01)
Sold \$490,000 Bought £392,966 (14.12.23)		(8,324)	(0.09)
Sold ¥55,000,000 Bought £304,094 (14.12.23)		(1,016)	(0.01)
		(10,814)	(0.11)
Investment assets		10,143,288	98.84
Net other assets		119,252	1.16
Net assets		10,262,540	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 31.03.23.

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

[†]Represents investment into a related party of the Manager. Apex Fundrock Limited also acts as ACD for this fund.

[^]At the balance sheet date, all forward currency contracts were executed with one counterparty, Northern Trust Investor Services Ltd ('NTISL') for the purpose of Effective Portfolio Management. Collateral obligations on losses or gains for each transaction would be met using cash held by the Custodian.

At the period end the Sub-fund did not hold shares in any of the other Sub-funds within the MI Charles Stanley Multi Asset Funds.

Total purchases for the period: £767,787

Total sales for the period: £722,685

	Market value £	% of total net assets	% of total net assets
Analysis of bonds by credit rating^{^^}		30.09.23	31.03.23
Investment grade (BBB & above)	586,797	5.72	4.33

^{^^}Source: NTISL

MI Charles Stanley Multi Asset Adventurous Fund

Net Asset Value and Shares in Issue

Class	Net Asset Value	Shares in issue	Net Asset Value per share p	Operating Charges*
A Income	£549,944	457,551	120.19	0.88%
A Accumulation	£8,709,602	6,652,212	130.93	0.88%
C Accumulation	£1,002,994	833,961	120.27	0.88%

*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. The figures used within this table have been calculated by annualising the expenses incurred against the average Net Asset Value for the accounting period.

The Investment Manager currently rebates the Sub-fund's operating charges, excluding the Investment Manager's fee and synthetic ongoing charges (0.38% of operating charges) in order for them not to exceed 0.20% of the Net Asset Value of the Sub-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 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:

- The Sub-fund may invest in cash and cash equivalent securities to try to protect its value in times of market uncertainty but this may not always be successful.
- Changes in exchange rates may cause the value of investments to decrease or increase.
- Investing in other funds may expose you to increased risk due to restrictions on withdrawals, less strict regulations and use of derivatives.
- Investing in bonds offers you income generation and sometimes a gain on your capital. Nevertheless, there is a risk that the organisation which issued the security will fail, which would result in a loss of income to the Sub-fund, along with its initial investment. Fixed income values are likely to fall if interest rates rise.
- There may be cases where the organisation from which we buy an asset (usually a financial institution such as a bank) fails to carry out its obligations, which could cause losses to the Sub-fund.
- Investment grade bonds, as determined by international ratings agencies, potentially produce a lower level of income than non-investment grade securities, but they are also considered to be of lower risk.
- This Sub-fund can use derivatives in order to meet its investment objectives. This may result in gains or losses that are greater than the original amount invested.
- Emerging markets are prone to more political, economic and structural challenges and disclosure standards can be less stringent than those of developed economies. This means your money could be at greater risk.
- The Sub-fund title is not related to the risk rating that appears on the 1-7 scale above, which is based solely on past data.
- For further risk information please see the Prospectus.

Risk warning

An investment in an 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 Charles Stanley Multi Asset Adventurous Fund

Statement of Total Return

for the period ended 30 September 2023

	30.09.23		30.09.22	
	£	£	£	£
Income				
Net capital gains/(losses)		47,407		(1,268,928)
Revenue	148,448		88,908	
Expenses	(23,737)		(22,478)	
Interest payable and similar charges	(494)		–	
Net revenue before taxation	124,217		66,430	
Taxation	–		–	
Net revenue after taxation		124,217		66,430
Total return before distributions		171,624		(1,202,498)
Distributions		(53,920)		(51,209)
Change in net assets attributable to Shareholders from investment activities		117,704		(1,253,707)

Statement of Change in Net Assets Attributable to Shareholders

for the period ended 30 September 2023

	30.09.23		30.09.22	
	£	£	£	£
Opening net assets attributable to Shareholders		10,414,854		10,521,587
Amounts receivable on issue of shares	793,858		1,436,573	
Less: Amounts payable on cancellation of shares	(1,112,547)		(748,672)	
		(318,689)		687,901
Change in net assets attributable to Shareholders from investment activities (see Statement of Total Return above)		117,704		(1,253,707)
Retained distributions on accumulation shares		48,671		49,467
Closing net assets attributable to Shareholders		10,262,540		10,005,248

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

MI Charles Stanley Multi Asset Adventurous Fund

Balance Sheet

as at 30 September 2023

	£	30.09.23	£	£	31.03.23	£
ASSETS						
Fixed Assets						
Investments		10,154,102			10,101,103	
Current Assets						
Debtors	63,647			108,497		
Cash and bank balances	109,244			370,166		
Total current assets		172,891			478,663	
Total assets		10,326,993			10,579,766	
LIABILITIES						
Investment liabilities		(10,814)			-	
Creditors						
Distribution payable	(1,372)			(4,560)		
Other creditors	(52,267)			(160,352)		
Total creditors		(53,639)			(164,912)	
Total liabilities		(64,453)			(164,912)	
Net assets attributable to Shareholders		10,262,540			10,414,854	

MI Charles Stanley Multi Asset Adventurous Fund

Distribution Tables

for the period ended 30 September 2023

Income Share Distributions

Share class	Distribution	Shares	Net revenue p	Equalisation p	Distribution paid/payable 2023 p	Distribution paid 2022 p
A	First interim	Group 1	0.3000	–	0.3000	0.3000
		Group 2	–	0.3000	0.3000	0.3000
	Second interim	Group 1	0.3000	–	0.3000	0.3000
		Group 2	–	0.3000	0.3000	0.3000

Accumulation Share Distributions

Share class	Distribution	Shares	Net revenue p	Equalisation p	Amount reinvested 2023 p	Amount reinvested 2022 p
B	First interim	Group 1	0.3250	–	0.3250	0.3204
		Group 2	–	0.3250	0.3250	0.3204
	Second interim	Group 1	0.3259	–	0.3259	0.3211
		Group 2	–	0.3259	0.3259	0.3211
C	First interim	Group 1	0.2985	–	0.2985	0.3008
		Group 2	–	0.2985	0.2985	0.3008
	Second interim	Group 1	0.2985	–	0.2985	0.2966
		Group 2	–	0.2985	0.2985	0.2966

First interim period: 01.04.23 - 30.06.23

Second interim period: 01.07.23 - 30.09.23

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 Charles Stanley 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 UCITS Retail Scheme and 'Umbrella Company' under the COLL Sourcebook.

The Company was incorporated in England and Wales on 17 February 2010 under registration number IC000813. The Shareholders are not liable for the debts of the Company.

The Company currently has 4 Sub-funds, which are detailed below:

- MI Charles Stanley Multi Asset Cautious Fund
- MI Charles Stanley Multi Asset Moderate Fund
- MI Charles Stanley Multi Asset Growth Fund
- MI Charles Stanley Multi Asset Adventurous 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 Acc	A Inc	B Acc	C Acc
MI Charles Stanley Multi Asset Cautious	✓	✓	–	✓
MI Charles Stanley Multi Asset Moderate	✓	✓	–	✓
MI Charles Stanley Multi Asset Growth	✓	✓	✓	✓
MI Charles Stanley Multi Asset Adventurous	✓	✓	–	✓

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.

MI Charles Stanley Investment Funds

General Information

continued

Valuation Point

The scheme property of the Company and each Sub-fund will normally be valued at 12:00 noon 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 the Sub-fund if the ACD considers it desirable to do so, with the Depositary's approval.

Buying, Redeeming and Switching of Shares

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

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

Or by telephone to: 0345 308 1456

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 Sub-fund 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 ACD nor the Company 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 ACD 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 changed name to Apex Fundrock Limited.

The ACD has assessed the Russia - Ukraine war implication and although the Company has no direct exposure to Russian or Ukrainian assets the crisis has and will have a wider impact in terms of market performance.

Risk Warning

An investment in an 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.

