

MI Chelverton Equity Fund

Value Assessment 2023

Reporting End Period 31st December 2022



Introduction to the ACD Assessment of Value

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

Value Assessment Criteria

AFM Costs

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

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

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

Quality of Service

The range and quality of services provided to shareholders.

Performance

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

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



Economies of Scale

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

Comparable Market Rates

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

by the ACD; or

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

Comparable Services

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

Classes of Shares

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



AFM Costs - Fees & Services Chargeable to the Fund

Fees and Services of the Authorised Corporate Director

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

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

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

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

Fees and Services of the Fund Administrator

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

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

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

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

Fees and Services of the Depositary and Custodian

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

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

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



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

Fees and Services of the Auditor

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

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

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



Fees and Services of the Investment Manager

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

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

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



Fund Performance

Overview of the criteria used to assess Value regarding Fund Performance

- One of the key challenges for the ACD in making an overall assessment of value which considers performance is the fact that the quantum of performance, positive or negative, is likely to significantly outweigh the percentage costs of the services provided to the Funds described in this Value Assessment.
- To provide an objective measure of performance and value the ACD has adopted the following methodology. The performance of the Fund has been assessed based on the Fund's position within its elected Investment Association Fund sector over 1, 3, 5 and 10 years if applicable.
- Funds that are in the top 50th percentile of their chosen sector would typically be rated as "Good" value; Funds in the 50th-75th quartile as "Fair" value, and Funds that are in the lower quartile as "Poor" value. However, the ACD will also take into account whether or not the Fund has met its stated investment objectives, such as performance against CPI or other comparator irrespective of its sector ranking.
- Funds that have met their stated Investment Objectives, where the objective is empirical and measurable will be assessed as being "Good Value" regardless of sector ranking.
- Fund performance is assessed after the deduction of all charges and is based on the highest charging invested share class.
- The ACD has included information relating to the Investment Objective and Policy of the Fund, the Fund's past performance and the Fund's risk profile, for the highest charging invested share class.

MI Chelverton UK Equity Growth Fund

Sub-Fund Overall Value Assessment score 31st December 2022

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

Good

Sub-Fund Performance 31st December 2022

The MI Chelverton UK Equity Growth Fund invests solely in mid and small cap UK equities. The last 12 months has seen these companies significantly underperform large cap UK equities by a large amount. The majority of the funds in the UK All Companies IA sector are investing in companies across the market capitalisation range and as a result the MI Chelverton UK Equity Growth Fund has significantly underperformed the majority of funds. It is expected that when mid and small cap equities begin to perform again the Fund will see its relative performance improve.

1 Year	Poor
3 Years	Good
5 Years	Good

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

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

In the year to 31 December 2022, the Sub-fund returned -22.16% compared to -9.19% for the IA UK All Companies sector (source: Morningstar, NAV to NAV B Accumulation, Total Return to 31.12.22).

2022 was a very difficult year for UK Small and Mid-cap shares, where the Sub-fund invests, with inflation rising to levels not seen at any time this century, impacting performance. The initial rise in inflation, caused by supply chain issues arising from the pandemic, drove down valuations on highly rated growth stocks. Any hopes that this pick-up in inflation would unwind as we went through the year were thwarted by Russia's invasion of Ukraine, which exacerbated the situation, causing energy and fuel prices to spike, eating into consumer spending power and undermining business confidence and economic growth, which in turn drove a sell-off in the more cyclical mid-cap stocks. A mid-year rally, from seemingly oversold levels, was undermined in the UK by Prime Minister Truss's fiscally lax mini budget, which coincided with a seemingly hawkish monetary tightening by the Fed in the USA, prompting another sharp sell-off in the autumn. Small and Mid-caps relative performance was particularly poor, with banks and natural resources, seen as inflation beneficiaries, performing well at the start of the year, then with safe havens like utilities, food retail and big pharma holding up well as investors tried to preserve capital as we went through the year, all of these sectors being well represented in large cap, but with minimal small and mid cap exposure. As we neared the year end, there seemed to be some relief with signs of



inflation topping out and with Western European economies looking as though they would get through the winter without the severe levels of disruption we'd expected from withheld Russian gas supplies.

At the individual stock level, Future, the technology enabled online consumer publisher, was the most significant detractor to the Sub-fund's performance, as investors worried about the outlook for consumer digital advertising spend and ecommerce revenues. Randall & Quilter Investment also fell back on the discovery of legacy loss issues, which brought on the need for a re-financing. In the Technology sector, GB Group and Alphawave were amongst the Sub-fund's worst performers, whilst SigmaRoc, Tyman and Synthomer were notable detractors amongst its more economically cyclical holdings. Finally, many of the wave of 2021 IPOs performed very poorly in 2022. Devolver Digital, the online video games publisher, saw its share price collapse when three of its H1 title launches all flopped. Revolution Beauty's shares were suspended when it failed to release its results and it launched an independent forensic investigation of its accounts. Other IPOs, particularly CMO (online building materials distributor) and Seraphine (online maternity wear), where the Sub-fund only had small holdings, saw their share prices collapse as they succumbed to the worsening economic outlook. Positive contributions in the most part came from takeovers with several holdings succumbing to bids from Private Equity and overseas trade buyers taking advantage of depressed valuations and sterling's weakness. The Sub-fund's top three contributors RPS, Homeserve and Ideagen were all bid situations, with Euromoney Institutional Investor another bid featuring in the top five. Other significant contributors were Ashtead Technologies, an offshore plant hire business for the oil and gas and renewables sectors, one of the Sub-fund's more successful 2021 IPOs, and Wandisco, whose high-volume data migration software finally started to gain material traction with the big telco operators. Finally, less economically correlated holdings like Balfour Beatty (infrastructure services) and Qinetiq (defence), which rallied strongly from the outset of the hostilities in Ukraine, saw their shares perform strongly.

From a dealing perspective, liquidity was provided by the Sub-fund's takeover stocks listed above. The Investment Manager also sold down some of the Sub-fund's less economically correlated stocks, which performed relatively well, taking profits in defence stocks namely Avon Protection and Qinetiq, as they rallied on the outbreak of hostilities in Ukraine, and healthcare stocks namely Alliance Pharma, Convatec and Advanced Medical Solutions. The Investment Manager also took profits in Energy companies such as Diversified Energy and Jadestone Energy, as they benefitted from the higher underlying commodity prices. Finally, the Investment Manager exited a number of holdings, such as IWG and Saga, where its conviction in the investment case had waned. On the buy side the Investment Manager took advantage of the derating in growth stocks, particularly in the technology sector, to buy back into a number of its old favourites, starting holdings in Gamma Communications, Auction Technology, Team 17, Mortgage Advice Bureau, Ascential and Learning Technologies, at seemingly reasonable valuations in the Investment Manager's view. Finally, the Investment Manager topped up a number of existing holdings, which in its view looked oversold, most notably Future.

MI Chelverton UK Equity Growth Fund

Fund Information

Key Investor Information

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



MI Chelverton UK Equity Growth Fund ("the Fund") A Accumulation Shares

This is a sub fund of MI Chelverton Equity Fund. The Fund is an Open Ended Investment Company. ISIN: GB00BDB4WW75. Apex Fund rock Ltd is the Authorised Corporate Director of the Fund ("MI" and "MI Funds" are trading names of the ACD).

Objectives and investment policy

The Fund aims to provide long term capital growth.

The Fund will invest in UK small and medium sized market capitalised companies that aim to provide capital growth. These shares will either be fully listed on the London Stock Exchange or listed on AIM (The London Stock Exchange's international market for smaller, growing companies).

The Fund may also invest in money market instruments and cash deposits.

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

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

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

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

Risk and reward profile

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



- This Fund is ranked at 6 because funds of this type have experienced high rises and falls in value in the past. Please note that even the lowest risk class can lose you money and that extreme market circumstances can mean you suffer severe losses in all cases. The indicator does not take into account the following risks of investing in this Fund:
- Smaller company shares can be more difficult to buy and sell as they may trade infrequently, in small volumes and their share price may fluctuate more than that of a larger company.
- In difficult market conditions, the value of some investments may be less predictable than normal and the Fund may not be able to buy and sell these investments at the best time or at a fair price. This could affect the Fund's performance, potentially reducing your returns.
- The level of targeted income is not guaranteed and may not be achieved.
- For further risk information please see the prospectus.

MI Chelverton UK Equity Growth Fund

Fund Information



Charges

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

One-off charges taken before or after you invest	
Entry charge	5.00%
Exit charge	0.00%

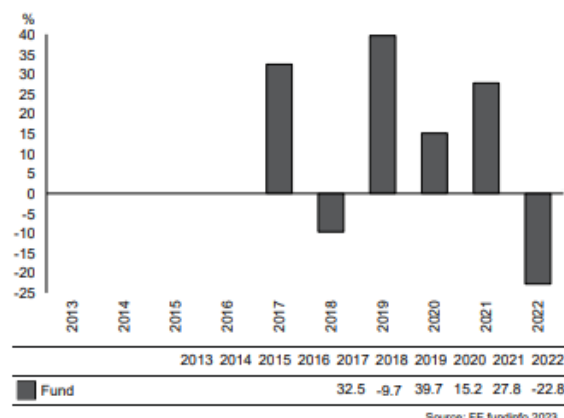
These are the maximum charges that we might take out of your money before it is invested and before we pay out the sale proceeds of your investment. In some cases, you might pay less and you should speak to your financial adviser about this.

Charges taken from the Fund over a year	
Ongoing charges	1.61%

Charges taken from the Fund under specific conditions	
Performance fee	NONE

- The ongoing charges figure is based on the last year's expenses and may vary from year to year. It excludes the costs of buying or selling assets for the Fund (unless these assets are shares of another fund).
- For the ongoing charge, the figure is as at 31 December 2022.
- You may also be charged a dilution levy on entry to or exit from the Fund, this is to cover costs associated with your transaction.
- No entry charge is currently levied by the ACD, however, an entry charge of up to 5% based on the value of your investment may be applied on the value of the shares purchased, at the discretion of the ACD.
- For more information about charges, please see the prospectus.

Past performance



- You should be aware that past performance is not a guide to future performance.
- Fund launch date: 20/10/2014.
- Share/unit class launch date: 14/06/2016.
- Performance is calculated in GBP.

Practical information

- This document is issued by Apex Fund rock Ltd and contains information on the AAccumulation Shares only ("MI" and "MI Funds" are trading names of the ACD).
- Each fund of the Company has its own pool of assets and liabilities, segregated by law. If one fund were unable to pay for its liabilities the assets of the other funds could not be used to pay for those liabilities.
- You can get further detailed information regarding the Fund, including details of the investment manager and how to switch, buy and sell shares and other share classes available, within the prospectus, the supplementary information document and the annual and half yearly managers' reports You can get these free of charge from Apex Fund rock Ltd, Hamilton Centre, Rodney Way, Chelmsford, Essex CM1 3BY or from our website: www.fundrock.com. These are available in English only. You can also call us on 0345 305 4217, or look on our website for the latest share prices.
- Details of the ACD's remuneration policy (including a description of how remuneration and benefits are calculated, the composition of the remuneration committee and the identities of persons responsible for awarding remuneration and benefits) are available at www.fundrock.com/mi-fund-data or by requesting a paper copy free of charge (see above for contact details).
- The Depositary of the Fund is Northern Trust Investor Services Limited.
- Please note that the tax laws of the United Kingdom may impact your own tax position.
- Apex Fund rock Ltd may be held liable solely on the basis of any statement contained in this document that is misleading, inaccurate or inconsistent with the relevant parts of the prospectus for the Fund.

MI Chelverton UK Equity Income Fund

Sub-Fund Overall Value Assessment score 31st December 2022

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

Poor

Sub-Fund Performance 31st December 2022

The MI Chelverton UK Equity Income Fund invests solely in mid and small cap UK equities. The last 12 months has seen these companies underperform large cap UK equities by a very large amount. The majority of the funds in the UK Equity Income sector are investing in companies across the market capitalisation range and as a result the MI Chelverton UK Equity Income Fund has significantly underperformed the majority of funds in the last year and this has impacted the longer term performance of the Fund. It is expected that when mid and small cap equities begin to perform again the Fund will see its relative performance improve.

1 Year	Poor
3 Years	Poor
5 Years	Poor
10 Years	Good

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

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

In the 12 months to 31/12/2022 the Sub-fund returned -12.16% compared to -2.16% for the IA Equity Income Sector as a whole. (source: Morningstar, NAV to NAV B Accumulation, Total Return).

As an income fund focussed on small and mid-caps our relative performance for the year was adversely affected by the fact that our investible universe is substantially underweight in the large cap dominated and best performing income sectors over the year of Oil and Gas, Mining, Tobacco, Pharma and Banks. Further significant headwinds resulted from substantial outflows from UK centric funds generally which contributed to one of the worst relative years for UK mid-caps for a very long time.

From a macro perspective the war in Ukraine that started at the end of February led to a risk off domestic equity market where rising interest rates, high inflation and a slowing economy provided significant headwinds for UK small and mid cap investors. US rates led the way up and the rhetoric from the Fed was consistent in its hawkish sentiment which supported a relatively strong \$US, again a hindrance to UK small and mid cap relative performance. In the UK and Europe the cost of living crisis came to dominate



the headlines as consumers and businesses were particularly vulnerable to increased energy costs. Ultimately governments across the region had to roll out energy support schemes. At the back end of the year financial markets were sent into a tailspin at home as the Truss government delivered a mini budget in September that was reversed almost immediately as the UK welcomed Sunak as its third prime minister in as many months.

Corporate activity was a feature of our investible universe throughout the year as share prices fell and third parties, corporates or private equity, recognised underlying value. Our holdings in Contourglobal, Homeserve, Go Ahead, Brewin Dolphin, Micro Focus, RPS and Devro were all the subject of successful bids. Interestingly as interest rates rose and funding costs became uncertain the buyers shifted from private equity to other corporates and we expect this to continue to be the case for the first part of the current year. As ever we recycled monies to improve the underlying yield in the Sub-fund and added a number of new names to the portfolio. We bought new positions in Somero, Virgin Money, Smiths News, Johnson Matthey, XP Power, Hilton Food and Marshalls, Conduit Holdings and ITV all on dividend yields of at least four percent, in line with our long standing investment process. As ever we look to use periods of small and mid-cap weakness and increased volatility to improve the underlying quality of earnings and future dividend growth in the Sub-fund.

Despite a year of almost unrelenting gloom there were some positive signs for equity investors towards the end of the year. Expectations were starting to shift towards interest rates peaking earlier and at lower levels than previously estimated, inflation, particularly energy costs were starting to fall and consensus was shifting towards a shallow recession. If this is the case we would expect that analysts would be looking to upgrade corporate earnings estimates as we move through the second half of this year as forecasts start to look through this year into next. A shift in momentum in upgrades versus downgrades should be a precursor to a gradual shift in equity investor sentiment from 'risk off' to 'risk on' which would benefit our small and mid-cap universe.

Interestingly despite the macro case for small and mid caps deteriorating through the year dividend payments from our investee companies remained robust as company cash flows held up rather better than share prices. Companies continued to return excess capital to shareholders through share buyback schemes as well. Overall we expect a volatile Q1 results season and then a gradually improving macro outlook for the stocks that we invest in for the coming year which we need to see ahead of a bounce back in capital values. Once again we expect that dividends should hold up reasonably well within our investible universe.

MI Chelverton UK Equity Income Fund

Information

Key Investor Information

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



MI Chelverton UK Equity Income Fund ("the Fund") A Accumulation Shares

This is a sub fund of MI Chelverton Equity Fund. The Fund is an Open Ended Investment Company. ISIN: GB00B1Y9J463. Apex Fund rock Ltd is the Authorised Corporate Director of the Fund ("MI" and "MI Funds" are trading names of the ACD).

Objectives and investment policy

The Fund aims to provide a rising level of income with the potential to grow the amount you invested as well.

The Fund will invest in UK company shares that aim to provide income. These shares will either be fully listed on the London Stock Exchange or listed on AIM (The London Stock Exchange's international market for smaller, growing companies).

The Fund may also invest in money market instruments and cash deposits.

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

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

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

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

Risk and reward profile

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



- This Fund is ranked at 6 because funds of this type have experienced high rises and falls in value in the past. Please note that even the lowest risk class can lose you money and that extreme market circumstances can mean you suffer severe losses in all cases. The indicator does not take into account the following risks of investing in this Fund:
- This Funds strategy may cause its volatility to be higher than its peers.
- Smaller company shares can be more difficult to buy and sell as they may trade infrequently, in small volumes and their share price may fluctuate more than that of a larger company.
- In difficult market conditions, the value of some investments may be less predictable than normal and the Fund may not be able to buy and sell these investments at the best time or at a fair price. This could affect the Fund's performance, potentially reducing your returns.
- The level of targeted income is not guaranteed and may not be achieved.
- For further risk information please see the prospectus.

MI Chelverton UK Equity Income Fund

Fund Information



Charges

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

One-off charges taken before or after you invest	
Entry charge	5.00%
Exit charge	0.00%

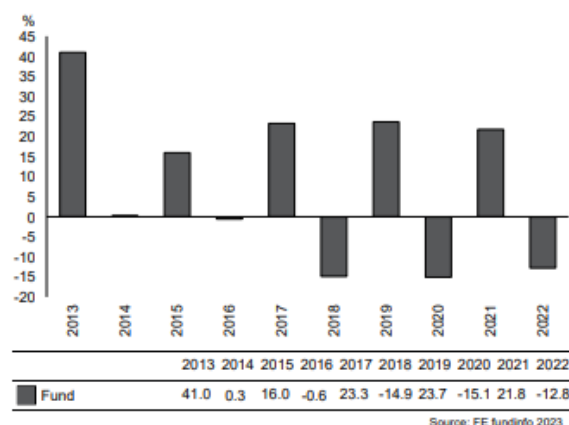
These are the maximum charges that we might take out of your money before it is invested and before we pay out the sale proceeds of your investment. In some cases, you might pay less and you should speak to your financial adviser about this.

Charges taken from the Fund over a year	
Ongoing charges	1.65%

Charges taken from the Fund under specific conditions	
Performance fee	NONE

- The ongoing charges figure is based on the last year's expenses and may vary from year to year. It excludes the costs of buying or selling assets for the Fund (unless these assets are shares of another fund).
- For the ongoing charge, the figure is as at 30 June 2023.
- You may also be charged a dilution levy on entry to or exit from the Fund, this is to cover costs associated with your transaction.
- No entry charge is currently levied by the ACD, however, an entry charge of up to 5% based on the value of your investment may be applied on the value of the shares purchased, at the discretion of the ACD.
- For more information about charges, please see the prospectus.

Past performance



- You should be aware that past performance is not a guide to future performance.
- Fund launch date: 01/12/2006.
- Share/unit class launch date: 02/07/2007.
- Performance is calculated in GBP.

Practical information

- This document is issued by Apex Fund rock Ltd and contains information on the Accumulation Shares only ("MI" and "MI Funds" are trading names of the ACD).
- Each fund of the Company has its own pool of assets and liabilities, segregated by law. If one fund were unable to pay for its liabilities the assets of the other funds could not be used to pay for those liabilities.
- You can get further detailed information regarding the Fund, including details of the investment manager and how to switch, buy and sell shares and other share classes available, within the prospectus, the supplementary information document and the annual and half yearly managers' reports You can get these free of charge from Apex Fund rock Ltd, Hamilton Centre, Rodney Way, Chelmsford, Essex CM1 3BY or from our website: www.fundrock.com. These are available in English only. You can also call us on 0345 305 4217, or look on our website for the latest share prices.
- Details of the ACD's remuneration policy (including a description of how remuneration and benefits are calculated, the composition of the remuneration committee and the identities of persons responsible for awarding remuneration and benefits) are available at www.fundrock.com/mi-fund-data or by requesting a paper copy free of charge (see above for contact details).
- The Depository of the Fund is Northern Trust Investor Services Limited.
- Please note that the tax laws of the United Kingdom may impact your own tax position.
- Apex Fund rock Ltd may be held liable solely on the basis of any statement contained in this document that is misleading, inaccurate or inconsistent with the relevant parts of the prospectus for the Fund.

MI Chelverton European Select Fund

Sub-Fund Overall Value Assessment score 31st December 2022

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

Good

Sub-Fund Performance 31st December 2022

To provide an objective measure of performance and value the ACD has adopted the following methodology. The performance of the Fund has been assessed based on the Fund’s position within the appropriate Investment Association fund sector (Europe excluding UK) over 1 and 3 years respectively, and/or since inception as appropriate.

1 Year	Good
3 Years	Good

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

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

Inflation and war were the dominant themes of 2022. The ensuing uncertainty caused elevated volatility, and for many equity markets, flirtations with bear market territory. Despite the issues highlighted below, we endeavoured to turn the volatility into opportunity and increased the portfolio’s exposure to powerful structural growth drivers. Over two thirds of the portfolio have as a primary driver, exposure to digitalisation and the energy transition. These are major growth themes of our era. Small entrepreneurial European companies are well placed to benefit and due to the region’s out of favour status, the value/growth equation on offer is, in our opinion, very attractive.

The portfolio NAV in base currency was down 7.1% (B Accumulation) in 2022, based on published NAV information provided by Apex Fundrock Limited. The general European index, MSCI Europe ex-UK Index fell 6.9% and our peer group median fell 7.3%. The MSCI Europe ex-UK Small Cap Index fell 15.5%. Whilst never satisfied with a down year, in context of previous years strong gains, we believe this can be described as a ‘soft landing.’ Having suffered during the first three quarters of the year due to our small-cap bias it was encouraging to see many of these stocks rally strongly in Q4.

Although the Sub-fund was down over the year there were some notable positive contributors. Four of our top ten performers were from bid activity – two from the corporate sector - Swedish Match in tobacco and Boskalis in dredging and two from private equity – Caverion in building services and Be Shaping The Future in technology consulting. It is a feature of our process that the cash flows we find attractive should look the same way to bidders. We expect this to be an ongoing feature. A fifth company from the top ten, Sword, sold a division for a significant premium and used the proceeds for a large special dividend (c.20%).



three biggest detractors from performance, Huddly (meeting room cameras), Serviceware (performance software) and Alkemy (digital marketing consultant) are all caught in a short-term downgrade cycle, and as companies at lower end of the market cap spectrum, fell way out of favour. We are backing all three to deliver strong medium-term growth and consequently have been consistent accumulators of shares into weakness.

The other theme worth noting from performance and activity is that we took a zero-tolerance approach to emerging balance sheet risk. Even though we only invest in companies with safe or very moderate financial gearing, economic turbulence can swiftly cause moderate financial risk to turn into borderline acceptable (to us) financial risk. PostNL and Knaus Tabbert both stubbornly kept on investing heavily when, in our view, a more cautious approach was merited. This put their balance sheets at risk. We sold both shares despite taking significant losses. We also sold Media and Games invest and AMS as capital allocation activity endangered their balance sheets.

We are conscious that there can be times when owning financially leveraged companies can be beneficial for the equity holder. With inflation, interest rates and the economic outlook such as it is, we do not think this is one of those times. If we have mistimed a few of these sales then we will seek comfort in a better night's sleep. Owning companies with balance sheet flexibility is a comfort in periods when there might be a temporary softening in demand, a margin squeeze or other shortterm issues.

These actions when combined with other activity has led our portfolio for the first time to be ungeared at the aggregate level. This is a demonstrably safer balance sheet than the market aggregate. Like we did during the COVID period we would expect our holdings to put their relative balance sheet strength to effective use during more challenging economic times.

The Energy Transition is one of the, if not the, great challenges and opportunities of our time. The weaponization of fossil fuel energy sources by Russia provides a stark reminder of the imperative of this monumental shift. Europe has a lead in many of the renewable energy technologies and energy transition ecosystems required, making these areas very investable longterm themes. During 2022 we more than doubled our portfolio exposure to companies which will be major beneficiaries of the energy transition. For communication purposes we have aggregated all companies who will benefit from the transition into a single cluster, 'Commodities and the Energy Transition'. As at 31/12/22 this accounts for 34.3% of the portfolio.

As investors, we respect the challenging economic conditions, however we are not wallowing in concerns about recessions, war, levels of interest rates or other potential geopolitical curveballs. European companies have real opportunities to capitalise on natural strengths and early mover advantages in many product and service areas around the energy transition. As a region there is also an imperative to invest in digitalisation to ensure that competitiveness is not lost. Investing in the 'pick and shovels' of these two great megatrends leaves us feeling optimistic about the portfolio's long-term future.

We have worked hard in 2022 to improve the quality and durability of the growth profile of our portfolio. We have done this on cheap cash-flow based valuations and with the backing of a sound balance sheet. We think if investors were offered a well-diversified stock, growing its top line at a 10% compounding rate, on a 7% Free Cash Flow Yield (FCFY) and with zero debt (the combined current metrics of the portfolio) they would be attracted to the proposition.

MI Chelverton European Select Fund

Fund Information



Charges

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

One-off charges taken before or after you invest

Entry charge	5.00%
Exit charge	0.00%

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

Charges taken from the Fund over a year

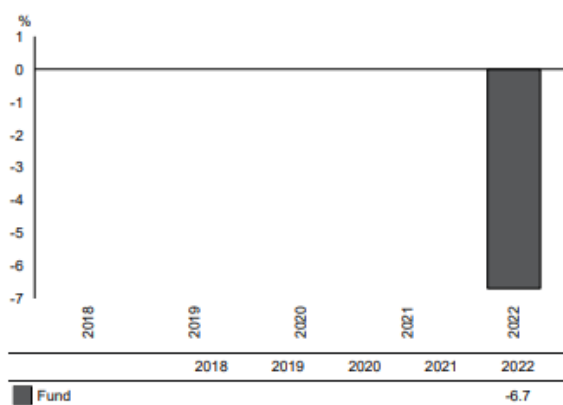
Ongoing charges	0.51%
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Charges taken from the Fund under specific conditions

Performance fee	NONE
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- The ongoing charges figure is based on the last year's expenses and may vary from year to year. It excludes the costs of buying or selling assets for the Fund (unless these assets are shares of another fund).
- For the ongoing charge, the figure is as at 31 December 2022.
- You may also be charged a dilution levy on entry to or exit from the Fund, this is to cover costs associated with your transaction.
- No entry charge is currently levied by the ACD, however, an entry charge of up to 5% based on the value of your investment may be applied on the value of the shares purchased, at the discretion of the ACD.
- For more information about charges, please see the prospectus.

Past performance



- You should be aware that past performance is not a guide to future performance.
- Fund launch date: 06/03/2018.
- Share/unit class launch date: 11/03/2021.
- Performance is calculated in GBP.

Practical information

- This document is issued by Apex Fund rock Ltd and contains information on the A Accumulation Shares only ("MI" and "MI Funds" are trading names of the ACD).
- Each fund of the Company has its own pool of assets and liabilities, segregated by law. If one fund were unable to pay for its liabilities the assets of the other funds could not be used to pay for those liabilities.
- You can get further detailed information regarding the Fund, including details of the investment manager and how to switch, buy and sell shares and other share classes available, within the prospectus, the supplementary information document and the annual and half yearly managers' reports You can get these free of charge from Apex Fund rock Ltd, Hamilton Centre, Rodney Way, Chelmsford, Essex CM1 3BY or from our website: www.fundrock.com. These are available in English only. You can also call us on 0345 305 4217, or look on our website for the latest share prices.
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