MI Chelverton Equity Fund

Value Assessment 2025

Reporting End Period 31st December 2024

Introduction to the ACD Assessment of Value

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

Value Assessment Criteria

AFM Costs

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

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

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

Quality of Service

The range and quality of services provided to shareholders.

Performance

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

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

Economies of Scale

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

Comparable Market Rates

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

by the ACD; or

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

Comparable Services

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

Classes of Shares

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

AFM Costs - Fees & Services Chargeable to the Fund

Fees and Services of the Authorised Corporate Director

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

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

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

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

Fees and Services of the Fund Administrator

- The Fund Administrator, Apex Fundrock Ltd is responsible for the administration and record-keeping of the Fund including, but not limited to, the calculation of the daily Net Asset Valuation; the preparation of the Annual Report and Accounts and Interim Financial Statements; the maintenance of the Shareholder Register; the administration of Investor Subscription and Redemptions and the provision of an on-line and telephone enquiry service for investors and their advisers.

- The services of the Fund Administrator are subject to a tightly defined Service Level Agreement and Key Performance Indicators which are used to assess the quality and performance of the ACD.

- The Fund Administration fees are regularly reviewed by the ACD against comparable market rates for a professional Fund administrator for hire providing comparable services, taking into account the complexity and risk profile of the Funds.

- The Fund Administration fees are clearly set out in the scheme documentation and are tiered based on the overall value of the Fund to reflect economies of scale. All investors in the Fund share equally in these economies of scale across all classes of units.

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

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

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

Fees and Services of the Depositary and Custodian

- The Depositary, Northern Trust Investor Services Limited, is responsible for the safekeeping of the assets of the Fund, for the monitoring of cash flows, and for the appointment and oversight of the Custodian who is responsible for the safekeeping of the assets of the Fund in physical or electronic form in the markets in which the Fund invests. The Custodian is also responsible on behalf of the Fund for the collection of income and dividends, the processing of corporate actions and the reclaim of tax under any applicable double taxation treaties.

- The services of the Depositary and Custodian are subject to a tightly defined Service Level Agreement and Key Performance Indicators which are used by the ACD to assess the quality and performance of the Depositary and Custodian.

- The Depositary and Custody fees are regularly reviewed by the ACD against comparable market rates for a professional Depositary for hire providing comparable services, taking into account the complexity and risk profile of the Funds.

- The Depositary and Custody fees are clearly set out in the scheme documentation and are tiered based on the overall value of the Fund to reflect economies of scale. All investors in the Fund share equally in these economies of scale across all classes of units.

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

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

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

Fees and Services of the Auditor

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

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

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

Fees and Services of the Investment Manager

- The Investment Management function is delegated by the ACD to 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 2024

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

Good

Sub-Fund Performance 31st December 2024

The MI Chelverton UK Equity Growth Fund invests solely in mid and small capitalisation UK equities, the comparator sector IA UK All Companies predominantly consists of funds which invest in both large, mid, and small cap equities. There are periods when the performance of large and mid/small cap stocks diverge. This has been the case on a number of occasions in recent times. When large companies (FTSE100) outperform mid/small cap companies, it would be expected that the MI Chelverton UK Equity Growth Fund will underperform its comparator sector. As the Fund invests solely in UK mid and small cap equities its performance could also be compared to the Numis ex IT + AiM Index. If that comparison was made the MI Chelverton UK Equity Growth Fund has outperformed over three, five and ten years.

In calendar year 2024 the MI Chelverton UK Equity Growth Fund returned 9.3% compared to the IA UK All Companies sector 7.8%. Over three years the Fund has significantly underperformed the IA All Companies sector, this is due to the significant divergence in performance between large and mid/small cap equities. The five-year performance of the Fund is marginally ahead of the IA UK All Companies sector. The longer-term record of the Fund continues to be exceptionally strong, in fact over ten years it is the best performing fund in the IA UK All Companies Sector.

1 Year	Good
3 Years	Poor
5 Years	Good
10 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:

Summary

In the 12 months to 31 December 2024, the Sub-fund returned 9.31%, compared to 7.95% for the IA All Companies Sector as a whole.

(Source: Morningstar, NAV to NAV, B Shares Accumulation, Total Return)

2024 was very much a year of two halves for the Sub-fund with optimism and gains in the first half reined back by the downbeat tone of the new Government in the second half.

Rapidly falling inflation, bringing with it the prospect of interest rate cuts, relatively full employment, real wage growth and modest economic growth provided a helpful backdrop for UK small and mid-caps, where the Sub-fund invests, enabling it to continue the rally from its low point in October 2023. The announcement of an early election stalled the market, but the prospect of a majority Labour government, which was making itself out to be fiscally prudent and business friendly and which would provide some much-needed political stability, did not spook the market, and indeed many investors were looking forward to further progress in the second half as the economy continued to improve.

The reality unfortunately proved very different, the new government almost immediately started talking down the economy, undermining both business and consumer confidence, continually referencing the existence of a £22bn black hole in public finances, which would need to be repaired by tax increases. With increases in VAT, Income Tax and individual National Insurance ruled out in the election campaign, the burden fell on business and savers.

The scale of the tax rises on business, when they were announced in October, still surprised the market, with companies curtailing new investment and hiring plans, and either looking to pass on additional costs with inflationary price rises, where they can, or cutting back on staff to reduce costs in labour intensive operations where pricing power isn't a feature, curtailing the prospect of private sector growth. At the same time the Chancellor announced an increase in unfunded public sector spending, undermining any confidence in the new government's fiscal propriety and putting upward pressure on bond yields, undermining the prospect of near-term rate cuts.

One issue that was particularly difficult for the Sub-fund in the second half was speculation surrounding the possible removal of business relief from Inheritance Tax ('IHT') on AIM shares. With the new government committing to retaining tax relief for Enterprise Investment Schemes and AIM Venture Capital Trust investing, the lack of mention of AIM IHT relief caused a severe underperformance in AIM shares, where the Sub-fund is circa 50% weighted to get exposure to growth sectors like Technology, Media and Healthcare. This underperformance was driven by investors' concerns that relatively illiquid AIM IHT portfolios would need to be unwound into an unreceptive market. As it was, AIM IHT relief was partially withdrawn, moving AIM shares down the list of tax planning priorities but not causing a wholesale sell-off, with AIM stocks enjoying a brief relief rally on the budget, but only partially recovering the damage already done. The consequence of all these factors meant the Sub-fund endured a tricky second half to 2024, pegging back the annual return to 9.3%, after returning 12.7% in the first half.

Whilst the UK market remains unloved by domestic investors with all eyes on US Tech giants, the low valuations its constituents trade on have caught the eye of Private Equity and overseas trade buyers with the highest level of agreed takeovers seen by the Sub-fund since launch, with 10 agreed offers in 2024. These recommended bids provided the primary source of liquidity for the Sub-fund in 2024 with 7 of the top 10 sell-downs being bid situations, namely Ascential, Mattioli Woods, Alpha Financial Markets, Tyman, Ten Entertainments, Eckoh and Sopheon. Other significant sales included reducing the Sub-fund's holdings in Premier Foods and Gamma Communications on the back of strong share price performances on valuation grounds and reducing its position in Sigmaroc to manage its weighting in the Sub-fund as the share price rallied sharply from a very low valuation. During the period, the Manager used share price weakness to re-invest in a number of the Manager's old time favourites in its screened investment universe, namely Spectris, Alfa Financial Software, DiscoverIE and Keywords Studios, which itself received an agreed bid shortly after the Sub-fund's investment, as well as building up existing holdings in Coats, Bodycote and YouGov and adding Moonpig and Warpaint to the portfolio for the first time, having monitored Moonpig since its Initial Public Offering ('IPO') in 2021.

Looking forward as managers we feel that most of the bad news from the Budget is now priced into the market. Inflation remains relatively subdued and real interest rates remain high, so there remains the prospect of further cuts especially if the economy continues to slow. Trump's election has brought with it the prospect of tariff hikes, which would be bad news for the USA's trading partners but the rhetoric so far has not been directed at the UK. The Sub-fund's investment process of identifying sustainably high margin asset light businesses means that most of the companies in the portfolio have pricing power, something we saw in the 2022 inflationary upsurge, so their profits shouldn't be at risk from the budget measures, with the Sub-fund's exposure to labour intensive businesses with poor pricing power being very limited. Most of the Sub-fund's holdings have also advised that profits for 2024 will be at least in line with expectations in their year-end trading updates. The exceptions being industrials, which continue to experience a downturn in global industrial production, particularly in Europe, and business to business marketing services groups, which are suffering from reduced discretionary spend by customers given the subdued economic conditions. UK cyclical building materials stocks, whilst not seeing a downturn, have not yet seen the rebound they had hoped for given the fewer rate cuts than anticipated at the start of 2024.

The Manager continues to see the portfolio as attractively valued and believes this is borne out by the unprecedented level of takeover activity across the Sub-fund, as well as the extent of share buy-backs as managers of the portfolio companies see greater value using spare cash to buy their own shares back rather than making acquisitions, with 24 buy-backs in progress at the year end.

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.

Typically lower rewards, lower risk						Typically higher rewards, higher risk
1	2	3	4	5	**6**	7

- 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%

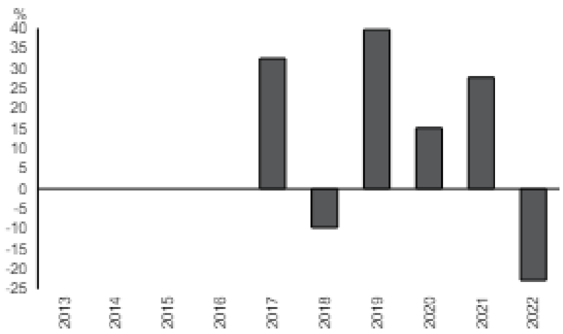
These are the maximum charges that we might take out of your money before it is invested and before we pay out the sale proceeds of your investment. In some cases, you might pay less and you should speak to your financial adviser about this.

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



	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Fund					32.5	-9.7	39.7	15.2	27.8	-22.8

Source: FE fundinfo 2023

- 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 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.
- 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 2024

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

Fair

Sub-Fund Performance 31st December 2024

The MI Chelverton UK Equity Income Fund invests solely in mid and small capitalisation UK equities, the comparator sector IA UK Equity Income predominantly consists of funds which invest in both large, mid, and small cap. equities. There are periods when the performance of large and mid/small cap. stocks diverge. This has been the case on a number of occasions in recent times. When large companies (FTSE100) outperform mid/small cap companies, it would be expected that the Chelverton UK Equity Income Fund will underperform its comparator sector. As the Fund invests solely in UK mid and small cap equities its performance could also be compared to the Numis ex IT + AiM Index. If that comparison was made the MI Chelverton UK Equity Income Fund outperformed in 2021, 2022, 2023 and 2024.

In calendar year 2024 the MI Chelverton UK Equity Income Fund marginally underperformed with a return of 7.9% compared to the IA UK Equity Income sector 8.7%. Over three and five years the Fund has underperformed the IA UK Equity Income sector, this is due to the significant divergence in performance between large and mid/small cap equities. The inability of the fund manager to invest in large cap UK equities is the predominant reason for this underperformance. The ACD is of the opinion that considering the market environment and the emphasis on investing solely in mid/small cap UK equities the manager has performed satisfactorily. The Fund also has an income objective of yielding 110% of the FT All Share. This objective continues to be met. The Fund has also produced a positive total return over all time periods.

1 Year	Fair
3 Years	Poor
5 Years	Poor
10 Years	Fair

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:

Summary

In the 12 months to 31 December 2024 the Sub-fund returned 7.94% compared to 8.66% for the IA UK Equity Income sector as a whole.

(Source:Morningstar NAV to NAV B shares Accumulation Total Return).

The year started slowly as investor concerns about rising inflation held sway, and in the month of February the domestic economy entered the realms of a technical recession. The consensus macro view was that interest rates would begin to fall as we moved through the year although this was essentially an arithmetic call as both energy and food costs were set to fall markedly. On the downside a persistent area of concern for investors throughout the year was that wage increases remained stubbornly high. Falling inflation did lead to falling interest rates and there was one 25bp cut in August and another 25bp cut at the end of the year in November taking rates to 4.75%. However, this was insufficient to provide a backdrop conducive to the strength of economic recovery needed to translate into widespread earnings upgrades for corporate UK. The first budget of the year in February passed with little fanfare, and in May the Prime Minister surprised the market by announcing a July date for the general election.

The Labour party were returned to government with a massive majority and almost immediately started to talk the economy 'down', continually referencing the existence of a £22bn black hole in public finances. This may have been intended to prepare expectations ahead of the budget at the end of October, but ultimately became a self-fulfilling prophecy as both consumer and business confidence fell dramatically. The sheer scale of tax rises and the fact that the budget was targeted on business came as a nasty surprise to the markets and the Office for Budget Responsibility summarised the effects of the budget on growth as 'underwhelming'. The short-term fallout from the budget saw hiring and investment decisions put on hold, and commentators focussed on an inevitable rise in prices and an increase in unemployment as companies adjusted to the new cost pressures. At the same time the reaction of bond markets was unhelpful. The positive noises about US growth under the new Trump Presidency continued to undermine fund flows into UK equities at the expense of US and global asset classes.

In the year, eight of our holdings were involved in takeovers or takeover approaches and these were Direct Line, Tyman, Mattioli Woods, N.Brown, TT Electronics, XP Power, Crest Nicholson and TI Fluid Systems, which we bought and was bid for in the year. Ocean Wilsons also announced the sale of its trading subsidiary which is yet to complete. We expect another year of above average activity this year if valuations do not improve markedly.

In the underlying portfolio we sold LondonMetric and Intermediate Capital as they moved up to the FTSE100. We sold out of Tatton, Bellway and Wilmington on yield grounds. We sold out of SMS after the bid at the end of the previous year. We also sold out of Secure Trust, Strix and Foxtons. New additions to the portfolio included Robert Walters the recruitment business, Dowlais the auto supplier, Assura, Card Factory, Bioventix, Serica Energy and Midwich. In terms of performance there were good contributions from Morgan Sindall a UK facing contractor and Keller a global facing contracting business which rebased its level of dividend upwards. Bakkavor, XPS Pensions and Paypoint all performed well as investors responded to good results. On the downside Close Brothers was embroiled in the car finance investigation, and PageGroup, Ecora Resources and FDM all detracted value.

Looking at UK small and mid caps that meet our four percent dividend yield hurdle at the year end, we continue to believe that our investible universe is attractively valued. The cash generation, balance sheet strength and share buybacks of the stocks in our portfolio are testament to this. Heightened levels of corporate activity reinforce this view, as we look upon this as 'real world' recognition of undervalued cash flows. Importantly for us once again, the strength of dividend payments have surprised on the upside and continue to support valuations. Looking forward we believe that there are two discernible catalysts that should lead to an improvement in the capital performance of our portfolio. The first is a shift from negative to positive confidence indicators by both business and the consumer. This may happen as the shocks of the recent budget become the new normal and they are priced into business activity. The second, which will take more time, is an improving economy and earnings upgrades. Very importantly though, whilst we wait for this to happen, we do believe that the majority of our portfolio should deliver higher profits in 2025 than they did in 2024.

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.

Typically lower rewards, lower risk						Typically higher rewards, higher risk
1	2	3	4	5	**6**	7

- 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%

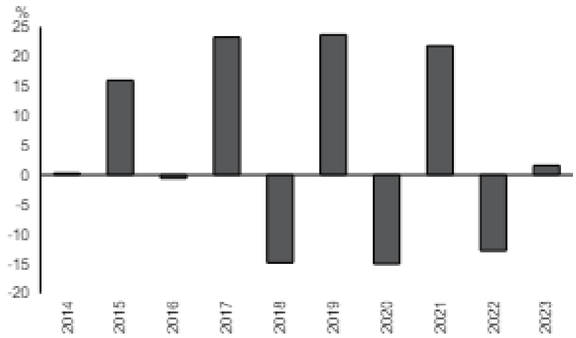
These are the maximum charges that we might take out of your money before it is invested and before we pay out the sale proceeds of your investment. In some cases, you might pay less and you should speak to your financial adviser about this.

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



	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Fund	0.3	16.0	-0.6	23.3	-14.9	23.7	-15.1	21.8	-12.8	1.6

Source: FE fundinfo 2024

- 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 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.
- 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 European Select Fund

Sub-Fund Overall Value Assessment score 31st December 2024

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

Good

Sub-Fund Performance 31st December 2024

The MI Chelverton European Select Fund invests primarily in mid and small cap Pan European equities. Over the last three years rising interest rates and then subdued economic growth have led to these companies significantly underperforming large cap equities. As a result of this the MI Chelverton European Select Fund has underperformed those funds with a higher weighting to larger companies. Over one year the Fund returned 1% compared to the IA Europe (ex UK) sector 1.7%. The Fund also marginally underperformed over three years. However, over five years and since inception the Fund is comfortably ahead of its comparator sector. 2025 has seen a reversal of these trends and the Fund's relative performance has improved significantly.

1 Year	Fair
3 Years	Fair
5Years	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:

Summary

It was a year of moderate equity market returns in Europe, especially in our base currency, GBP. Your portfolio returned +1.0% in 2024 (1). By comparison, our asset class of focus, European smaller companies fell -1.1% (2). The broader European equity market as measured by the MSCI Europe ex UK returned +2.8% in 2024 (3). A c.5% appreciation of GBP against the Euro over the year proved a headwind to all these returns.

Sources: (1) Morningstar, NAV to NAV, B Shares Accumulation, Total Return, GBP (2) MSCI Europe ex UK Small Cap (3) MSCI Europe ex UK. All returns sourced from Morningstar and GBP as at 31/12/24.

Investing usually involves making trade-offs. For example, if you seek high quality or high growth companies, you will normally expect to pay up for this privilege. Or, if you desire very cheap cash flows you would usually accept lower quality, lower growth, or weaker balance sheets.

The underperformance of our asset class in the last few years means we can cherry pick and end up with a portfolio consisting of the best of all worlds – growth and quality and value and balance sheet resilience. In our opinion, the cost of this apparent free lunch is the need for patience whilst the tectonic plates of liquidity flows and momentum find a new and more fundamentally driven equilibrium.

Software, Defence and Deratings

If moderate NAV development implies a quiet year, then this would be giving the wrong impression – there is no such thing as a quiet year in small caps. Some comment on the main positive and negative contributors follows.

On the positive side, Mergers and Acquisitions ('M&A') continues to be a feature with three of the top contributors to performance coming from stocks which have been taken over. Pagero and Esker are both enterprise software companies and Visiativ was in process of developing from a reseller of others software to a developer of its own proprietary software. Following the technology derating of 2021, we established a strong position in the software segment, where despite a number of holdings falling to bids, we still retain 14.1% in the sector (Source: Chelverton Asset Management 31/12/24). These holdings all share the strong fundamental characteristics of companies which we expect to be long-term compounders for the portfolio.

The defence sector yielded two of our strongest contributors – Rheinmetall and Mildef. Towards the end of the year, we sold Rheinmetall and initiated a position in sector peer, Dassault Aviation. We judged that Dassault has similar visibility and growth as Rheinmetall, but on a much lower valuation – a c.6% Free cash flow yield ('FCFY') compared to a sub-2% FCFY. Mildef provides tactical IT support for the armed forces and should have visible growth for several years to come. This Swedish based company acquired an adjacent company in Germany, a move we and the market assessed as very positive for long term prospects.

On the downside, at least half of the detractors faced headwinds from cyclical parts of their operations. Danieli & C Officine in steel plants, Brunel and Amadeus Fire in recruitment, Infotel in IT services and Kering in luxury goods all suffering this fate. In all these cases the share prices performed worse than the downgrades, in shorthand, these shares were derated. Of this list, Amadeus Fire and Danieli & C Officine are top twenty positions, and we have added to both, assessing that both companies have taken market share and have the potential to bounce back strongly from the deep value ratings they reside on – both trade on double-digit FCFY's.

Stock specifics factors also feature strongly. Francaise Energie, a low carbon energy producer had to lower long-term targets due to late granting of permits and service outages. Digital Value, an Italian reseller of IT products, revealed an investigation into alleged bribery of government officials. Whilst the full implications were not clear, the public sector represents half of the company's sales – we took a zero-tolerance approach to this potential governance breach and sold our position.

Increased conviction and concentration

Our response to portfolio intrinsic value improvement not being matched by NAV change has been to increase conviction in our better ideas. This is seen in the following:

	Number of holdings	Top 10	Top 20
As at 31/12/22	65	24.0%	42.3%
As at 31/12/24	51	30.1%	54.8%

Source: Chelverton Asset Management

Over the past two years we have not replaced several holdings that were subject of M&A (in total there have been nine) and we simultaneously ensured we were not running with an unproductive and energy sapping tail of holdings. Proceeds were typically re-invested in our top twenty positions.

Textbook theory has it that if a portfolio manager gets 55% of decisions right, strong returns will be delivered. That will be the case in an evenly weighted portfolio but practical lessons and observations from many successful investors suggest that the ratio can be skewed the other way, and you can still deliver very strong returns. In other words - 'win big, lose small.' William Greene who interviewed many of the most successful investors for his excellent book, Richer Wiser Happier, summarised this with the wonderfully succinct phrase/formula:

Steady compounding – disaster = spectacular success.

In our nearly seven years together, and excluding detractors, ten stocks contributed most of our returns. Nearly all of these stocks have been 'multi-baggers.' The purpose of the increasing concentration is to try to skew our returns to these future 'multi-baggers.'

The inverse of this is that we must be ruthless when we determine that an investment case is not working out and risks detracting from returns. In 2024 we critically assessed the cases in a handful of companies and realised our initial cases, especially were compromised. The sales of AMG (lithium), Signify (lighting) and Boliden (copper) all loosely in the energy transition area as well as Schoeller Bleckman and TGS-Nopec in the energy services sector are examples where the top-down assumptions we were using couldn't, or shouldn't, be relied upon.

Asymmetric Opportunities

One way of describing our job is that it is to find and take advantage of asymmetric risk opportunities. Volatility in France in 2024 led us to increase our number of French holdings without a commensurate increase in exposure to the domestic economy:

	31/12/23	31/12/24
Portfolio exposure to France	17.7%	25.1%
Portfolio exposure to French economy	8.6%	10.4%

Source: Chelverton Asset Management

Good companies were on sale. New holdings in France included Trigano, Europe's leading producer of motor homes; Robertet, a producer of flavours and natural ingredients as well as GTT, by far the dominant provider of membranes for LNG carriers.

Swissquote and Technogym both entered the portfolio in 2024 and had a positive start with their contributions to performance. Technogym is a leading producer of exercise equipment globally. Swissquote is a software company with a banking license – a company which started out as an online broker and has successfully transitioned into a challenger to the established domestic banks.

Quality - The Unsung Feature

We consider that our portfolio offers healthy growth prospects and an extremely safe balance sheet for a commensurately modest valuation.

As our asset class has been out of favour, we have also been able to access a quality of company on a valuation which might not have been possible a few years prior. Whilst our overall valuation and growth metrics have not changed that much over the last couple of years the 'hidden' improvement in the portfolio has been in its quality. There has been a sharp improvement in the overall portfolio quality over the last 2 years and we believe the current portfolio has demonstrably higher quality metrics than both the SMID index but also the overall index with its large cap quality bias.

The quality of the average company in the European SMID index is not especially attractive. Stock picking in small caps can be a treacherous game with a wide range of companies failing to deliver shareholder value. We think focusing on the metrics we do gives us a better than average chance of continuing to find the winners in what is a very diverse universe.

Whether your interest lies in economics, politics, social or technological arenas, we are living in an age of complexity and unpredictability. Whilst this may feel like a challenging backdrop to invest from, we feel that our approach which embeds margin of safety and resilience is an appropriate way to respond to and address these complexities. These quality metrics are one way of expressing resilience.

Outlook

As European small cap investors we are acutely aware that the party has been elsewhere the last couple of years. We have been fortunate that the fund has seen net inflows over a period when broader capital flows have been going in the opposite direction. Gareth and I would like to thank investors for their patience over this period. We know you are subject to a range of pressures, and we do not take your patience and fortitude for granted.

We are enthusiastic as to what we see in front of us in our universe. A sideways performance in recent years belies our belief that we have continuously worked to improve both our process and our portfolio over this period. The headline metrics referred to capture some but not all of these improvements. We would highlight the improvements in overall quality of portfolio as well as balance sheet resilience as the unsung, and as yet, unrewarded features. We recently set 2030 objectives, and all our decisions and thinking will be taken with this time horizon in mind. We are confident that the fundamentally strong proposition we see, can and will deliver strong absolute and relative returns going forward.

MI Chelverton European Select 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.

APEX FUND ROCK

MI Chelverton European Select 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: GB00BG130R65. 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 primarily in Continental European equities that aim to provide capital growth. These shares will be fully listed on Continental European Stock Exchanges.

The Fund will select a focused portfolio across all ranges of capitalisation, business sectors and countries of Europe.

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.

Typically lower rewards, lower risk — **Typically higher rewards, higher risk**

1	2	3	4	5	6	7

- 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:
- Investing overseas can bring additional returns and spread risk to different markets. There are risks, however, that changes in currency exchange rates may cause the value of the investment to decrease or increase.
- For further risk information please see the prospectus.

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%

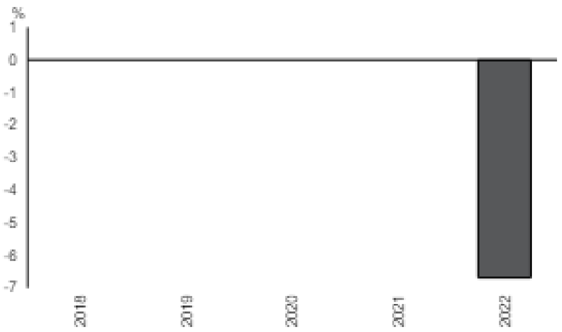
These are the maximum charges that we might take out of your money before it is invested and before we pay out the sale proceeds of your investment. In some cases, you might pay less and you should speak to your financial adviser about this.

Charges taken from the Fund over a year	
Ongoing charges	0.51%

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



	2018	2019	2020	2021	2022
Fund					-6.7

Source: FE fundinfo 2023

- 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.
- 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 Opportunities Fund

Sub-Fund Overall Value Assessment score 31st December 2024

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

Good

Sub-Fund Performance

The MI Chelverton UK Opportunities Fund has only recently been launched and therefore no performance assessment can be made.

1 Year	N/A
3 Years	N/A
5 Years	N/A

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.

Summary

We launched the Chelverton UK Opportunities fund at the end of October 2024. For the period 2/11/2024 to 31/12/2024 the B GBP Accumulation units rose 1.09% compared with the UK Equity market return on 0.54%.

(Source: Morningstar, NAV to NAV, B Shares Accumulation, Total Return)

The Sub-fund will follow a pragmatic business cycle investment approach combining top down economic and stock market strategy with fundamental stock selection.

We believe that a key determinant of share price performance is the change in a company's earnings growth relative to the stock market average. We seek to tilt the portfolio towards those companies which exhibit the fastest undiscounted earnings growth relative to the UK stock market throughout the business cycle.

Monetary policy is a significant factor for economic growth and central banks across the world have begun the cycle of interest rate reductions, raising the prospect of stronger economic growth. Confidence in the deflationary process is required to underpin market expectations of monetary easing. We anticipate further interest rate reductions in the coming months and the prospect of faster economic growth your portfolio is invested with a pro-cyclical tilt. This means we own proportionately more of those stocks whose earnings we expect to benefit from economic recovery and falling interest rates. Looking at economic indicators it is clear the services sector is outperforming manufacturing across the world. By contrast global manufacturing data is weak. Leading indicator data for the US, UK and Europe all clearly reflect this hiatus in demand languishing at readings below 50 indicating contraction.

Financials make up our largest exposure with key holdings in Barclays and Standard Chartered. It has taken nearly two decades of super-low interest rates to fix bank balance sheets following the great financial crisis and the conditions for value creation in banks are now in place.

Consumer cyclicals are our second largest style grouping reflecting our confidence that there will be a pick-up in consumer spending following a period of real wage growth and a stable employment market that has led to reductions in household debt and improved housing affordability. The expected easing of planning restrictions should also benefit growth in housing transactions from depressed levels. We own two housebuilders, Taylor Wimpey and Barratt Redrow, and Luceco (wiring accessories and lighting) which is exposed to housing repair, maintenance and improvement. We also own Whitbread (hotels), B&M European Value Retail (retail) and On the Beach (online tour operator).

Industrial cyclicals are approximately 11% of the portfolio. Whilst companies in this part of the market are now in good shape to benefit from the recovery when it comes, end demand is still weak. We have kept individual stock weightings relatively low here; there is still the chance of small earnings downgrades and whilst valuations are low enough to mostly absorb further earnings forecast reductions we think it is too early to be bullish. Companies we own include Vesuvius (steel and foundry consumables), Bodycote (industrial heat treatment) Rotork (industrial valves) and Victrex (speciality chemicals).

We have invested approximately 10% of your portfolio in growth stocks, in businesses which we think can grow their earnings above average through the business cycle and where valuations, at present, are enticing. We own Bytes Technology (software reseller), Auction Technology, (online bidding services for auctioneers), and Alpha Group International (a tech-enabled provider of FX management to mid-sized business customers and other banking services to the alternative investment market.)

A further ~17% of your fund is invested in growth defensive stocks. These are businesses whose profit growth is less sensitive to changes in the rate of economic growth, and we are underweight this group relative to the market. However, we have selected stocks where we think there is scope for positive earnings surprises and valuation expansion compared with similar companies. Stocks in this part of the portfolio include GSK (pharmaceuticals), Rentokil Initia (pest control), Reckitt Benckiser (household goods) and Hikma Pharmaceuticals (pharmaceuticals).

Following the UK budget, the increase in government borrowing and additional taxation on the UK corporate sector through National Insurance payments plus the increase in the minimum wage has unsettled the gilt market with yields rising in response to higher inflation expectations. The Bank of England 6-3 vote to leave interest rates unchanged in December was more divided than the market expected. The doves are concerned by the probability of weaker UK economic growth rather than near term inflationary pressure. With UK money supply growth only 3-4% and with the government's increase in business costs we are likely to see a rise in unemployment – which could bear down on inflationary pressures faster than expected. The silver lining may be larger reductions in UK interest rates than currently expected. Higher financing costs are already impacting activity and consumer confidence with data showing a decline in UK mortgage approvals and UK consumer credit growth. However, the UK market remains at a significant valuation discount to other global equity markets and has many internationally competitive businesses.

We retain a pro-cyclical bias in your fund in anticipation of further monetary easing and are encouraged by signs towards the year end that global new order manufacturing data looks to be troughing.

MI Chelverton UK Opportunities 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 Opportunities 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: GB00BLCCHB01.
Apex Fundrock Ltd is the Authorised Corporate Director of the Fund ("MI" and "MI Funds" are trading names of the ACD).

Objectives and investment policy

The Fund aims to provide long term capital growth.

The Fund will invest at least 80% of the portfolio in UK companies that aim to provide capital growth. These will be either fully listed on the London Stock Exchange or listed on AIM (The London Stock Exchange's international market for smaller, growing companies) and which are domiciled, incorporated or have a significant part of their business in the UK.

The Fund may also invest up to 20% in other transferable securities, money market instruments, warrants, convertibles, cash and near cash deposits.

The Investment Manager aims to identify UK companies which show good medium to long-term growth potential, or which appear to be undervalued.

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

The Fund will invest in a portfolio of between 30 and 55 stocks reflecting strong investment opportunities and is not constrained by size, industry or sector.

During the recovery and expansion phases of an economic cycle the Fund will have more investments in small and medium capitalised stocks and so the number of stocks within the Fund will be towards the upper end of the range. During the slowdown and recession phases of an economic cycle the Fund will hold fewer but larger and more economically defensive stocks.

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

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

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

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

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

Risk and reward profile

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

Typically lower rewards, lower risk — Typically higher rewards, higher risk

1	2	3	4	5	6	7

- 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:
- As this Fund is principally focused on a single geographical region, it will have greater exposure to the market, political and economic risks of that region than if it was more diversified across several countries.
- The Fund may invest in smaller companies in accordance with its investment objective. These investments may be less liquid than investment in larger companies; as a result, their share price may be more volatile and offering a higher level of risk to investors.
- 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 Fund may hold a limited number of investments. If one of these investment falls in value this can have a greater impact on the Fund's value than if it held a larger number of investments.
- For further risk information please see the prospectus.

MI Chelverton UK Opportunities 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	0.67%

Charges taken from the Fund under specific conditions	
Performance fee	NONE

- The ongoing charges figure is estimated because the share/unit class is relatively new and has insufficient track record for us to calculate it exactly. The ongoing charges figure may vary from year to year and will exclude 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 15 October 2024.
- 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

There is insufficient data to provide a useful indication of past performance to investors.

- Fund launch date: 15/10/2024.
- Share/unit class launch date: 15/10/2024.

Practical information

- This document is issued by Apex Fundrock 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.
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