

MI Polen Capital Asia Income Fund

Value Assessment 2025

Reporting End Period 31st December 2024



Apex Fundrock Limited as the Authorised Fund Manager ("the AFM") of the Funds wishes to inform investors of a recent announcement by the Investment Manager to the Funds, Somerset Capital Management LLP ("Somerset").

On 7 December 2023, Somerset announced they will be initiating a closure of their business. Following discussions with a number of parties to secure the best outcome for investors, the AFM has appointed Polen Capital UK LLP as the delegated investment manager for the Funds. Polen Capital UK LLP is an FCA authorised investment manager and a subsidiary of Polen Capital Management LLC.

Polen Capital is a global investment management firm with approaching £50bn in assets under management. Polen Capital has long-established emerging market and Asian investment expertise consistent with the investment objectives of the Funds.

As part of this appointment, a team of investment managers from Somerset have joined Polen Capital's investment team based in London and Asia. This will ensure continuity of management of the assets with no change in process or fund objectives. Polen Capital has also committed to undertake the promotion and distribution of the Funds with a view to ensuring their future growth and longevity.

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 Trustee and Custodian

- The Trustee, 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 Trustee 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 Trustee and Custodian.
- The Trustee and Custody fees are regularly reviewed by the ACD against comparable market rates for a professional Trustee for hire providing comparable services, taking into account the complexity and risk profile of the Funds.
- The Trustee 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 Trustee 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 Polen Capital UK LLP, 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:	Good
Economies of Scale:	Good Value – All Investors Benefit Equally
Comparable Market Rates:	Good
Comparable Services:	Good
Classes of Units:	Good



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 Polen Capital Asia 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”.

Good

Sub-Fund Performance 31st December 2024

To provide an objective measure of performance and value the ACD has adopted the following methodology. Since the MI Polen Asia Income Fund has few true comparators the performance of the Fund has been assessed against the benchmarks chosen by the fund manager, the MSCI Asia ex Japan Index and the MSCI APAC ex Japan Index. The Fund also has an income objective of yielding 110% of the MSCI AC Asia Pacific ex Japan Index.

Overall time periods, the MI Polen Asia Income Fund has comfortably met its income objective, last year the Fund yielded 4.2% against a benchmark dividend yield of 3.0%. In the last 12 months the Fund underperformed both indices mentioned above. However, over three and five years the Fund has consistently outperformed both indices. The way that the Fund is managed does tend to see it underperform when emerging markets perform very strongly. The Fund will be expected to perform relatively well when in periods of more subdued markets.

1 Year	Fair
3 Years	Good
5 Years	Good

Investors should recognise that the Fund is actively managed and is SRRI risk rated 5 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

Asia equities, as measured by the MSCI Asia Pacific ex-Japan Index, were up 12.07% over the period in GBP terms. This was driven by strong performance in Taiwan, almost entirely driven by the semiconductor industry, China, which rose close to 25% over the year boosted by a flurry of policy announcements in September, and India, which has seen strong economic tailwinds and continued domestic inflows into equities. Conversely Korea was the notable laggard, hampered by weaker performance in some of the largest constituents, while political instability fuelled further outflows. At a sector level, Communication Services, Information Technology and Financials were the strongest performers, while Materials and Consumer Staples sectors were weakest. Stylistically, the Growth Index fared much better than the Value Index and large caps outperformed smaller caps on average.



Over the year the Fund saw positive absolute returns of 9.80%¹ (1 Income daily Net Asset Value with dividends reinvested) net of fees, however underperformed the MSCI Asia Pacific ex Japan Index which returned 12.07% and the MSCI AC Asia ex Japan Index which returned 13.91%. Absolute performance was strongest in Taiwan and China and Information Technology and Industrials. The Funds semiconductor related names in Taiwan; Taiwan Semiconductor Manufacturing, Lotes and ASE Technology were key contributors to these positive returns, while in China it was broader and included CNOOC, an oil & gas company, Siyuan Electric, a maker of electrical grid infrastructure equipment, and ICBC, a leading bank. Conversely, the Funds Korean holdings, notably Samsung and LG Chem, were a drag on overall returns. New Zealand and Thailand were also laggards.

Relative underperformance versus the MSCI Asia Pacific ex-Japan Index was mostly due to weak security selection in Health Care and Consumer Discretionary sectors and outweighed stronger selection in the Industrials and Energy sector. Sector allocation, a fallout of the Funds bottom-up process, contributed positively to relative returns, primarily due to the Funds underweight to Materials and overweight to Information Technology. At a country level, security selection was strongest in Hong Kong and South Korea but was outweighed by weaker selection in Taiwan and China. Similarly, country allocation was also positive, mostly due to the Funds overweight to Taiwan.

At an individual company level, the largest contributors to absolute performance were Taiwan Semiconductor Manufacturing, Lotes and CNOOC, while on a relative basis it was Lotes, CNOOC and KB Financial ADR.

Lotes, a Taiwanese designer and manufacturer of precision electronic interconnect components and hardware continued to benefit from growing demand related to Artificial Intelligence (AI) spend. As liquid cooling becomes more important for AI servers, Lotes stands to benefit as it develops quick disconnects, a type of coupling (valve fitting) found in liquid cooling that allows for a rapid and tool-free open and close of fluid lines with a simple push or pull action. While Lotes is a small company that serves a specific niche, Taiwan Semiconductor Manufacturing, the largest company in Asia, also continues to benefit from AI demand. The world's biggest chipmaker, has benefited from soaring demand for server AI processors. In the third quarter the company saw net revenues grow 36% year-on-year. Taiwan Semiconductor Manufacturing is the largest holding in the Fund and has contributed meaningfully to absolute returns. However, it has breached a 10% position in the index, so despite the strong performance, it has detracted from relative returns due to the underweight position relative to the Funds benchmarks. CNOOC, one of the largest oil companies in China, has been supported by a buoyant oil price and lower costs. The company reported good results through the period with revenues and net profit both ahead of consensus estimates.



The largest individual detractors from absolute performance were Samsung Electronics, LG Chem and CSPC Pharmaceutical. While on a relative basis it was LG Chem, CSPC Pharmaceutical and WuXi AppTec.

Samsung Electronics, Korea's largest company and one of the largest positions in the benchmark, was weak after a disappointing period its semiconductor business, driven by reduced demand in legacy memory and foundry segments, as well as negative investor sentiment around Korea. LG Chem, largest chemical company in Korea, has seen a slowdown in sales and dip in profitability. The company's petrochemical business appears to be facing headwinds from a pullback in consumer plastic demand as competition in the segment grows. While Hong Kong-listed CSPC Pharmaceutical was down as the company made a significant transfer of assets to a sister company, to at best a marginal detriment to minority shareholders in the Hong Kong listed entity.

Turnover was higher than normal, particularly over the final quarter of the year as the Fund made some changes to the portfolio that the team believe materially upgraded the quality of companies held. New holdings include the leading technology consulting business in India, Infosys, Tencent Music Entertainment, the Chinese equivalent to Spotify, and one of the leading Indonesian banks, Bank Mandiri. Other new positions included Las Vegas Sands, Hefei Meyer Optoelectronics, E Ink, Tencent Holdings, Yum, NetEase, Genting Singapore, Bank Central and Shenzhen Inovance Technology. To fund these new positions we sold out of a number of names. These included HCL Technologies, Sieyuan Electric, Milkyway, Wiywynn, LG Chem, TCC Group, Techtronic Industries, Industrial and Commercial Bank of China, Bank Of China, Wuxi Aptec, Unimicron Technology, Sands China, Minth Group and Horizon Construction Development.

Looking forward, while external factors have been the main risks in Asia rather than any significant structural internal risks in our view, this is likely to be the case in the coming periods as the market continues to grapple with factors such as high but decreasing global interest rates, stubborn inflation and the prospect of new trade tariffs from the US. Growth should continue to be stronger than developed markets and in our view valuations of what we believe to be high-quality companies, remain highly attractive and at a material discount to history and the broader Emerging Market universe. Additionally, developments like those seen in China recently could provide some broader momentum for the asset class.

We continue to stay focused on the long-term value propositions, competitive advantages, growth opportunities, and potential earnings power of well-managed companies backed by strong free cashflows and sustainable dividend companies. This allows us to think and act like owners. The markets continue to have a lot of uncertainty and be influenced by macroeconomic issues, but we believe that quality companies can weather the uncertainty and come out the other side stronger.

1Source for MI Somerset Asia Income Fund figures: Apex Fundrock Ltd. Figures for the Source for Index performance figures: MSCI

MI Polen Capital Asia Income 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 Polen Capital Asia Income Fund ("the Fund") Class I Accumulation Units

The Fund is an Authorised Unit Trust. ISIN: GB00BNBQW452.
Apex Fundrock Ltd is the Manager of the Fund ("MI" and "MI Funds" are trading names of the Manager).

Objectives and investment policy

The Fund aims to deliver income with the potential for capital growth over the long term (5 years or more), by investing primarily in companies in the Asia Pacific region (excluding Japan).

The Fund aims to deliver an annual net target income yield of at least 110% of the yield of the MSCI All Countries Asia Pacific Excluding Japan Index.

The Manager has discretion over which investments are held in the portfolio. The Fund will typically invest at least 90% (minimum 80%) in companies or company related derivatives. The Fund may also invest in other assets, such as other investment funds (up to 10%), bonds (which are like loans that pay a fixed or variable rate of interest) issued by companies or governments, cash and other similar investments.

The Fund may also make use of derivatives, which are sophisticated instruments whose value is linked to the rise and fall of other assets. The Fund can use derivatives to generate market exposure that exceeds the value of its assets and for the purposes of hedging and efficient portfolio management (to reduce risk or manage the Fund more efficiently).

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

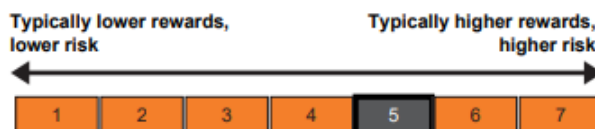
You can buy and sell units on any business day in London.

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.



- The Fund is ranked at 5 because funds of this type have experienced medium to high rises and falls in value in the past. Please note that even the lowest risk class can lose you money and that extreme market circumstances can mean you suffer severe losses in all cases. The indicator does not take into account the following risks of investing in this Fund:
- Investing overseas can bring additional returns and spread risk to different markets. There are risks, however, that changes in currency exchange rates may cause the value of your investment to decrease or increase.
- The level of targeted income is not guaranteed and may not be achieved.
- This Fund can use derivatives in order to meet its investment objectives or to protect from price and currency movement. This may result in losses or gains that are greater than the original amount invested.
- The Fund's charges are deducted from the capital of the Fund. This may allow more income to be paid but it may also restrict capital growth and may result in capital erosion.
- Emerging markets or less developed countries may face more political, economic or structural challenges than developed countries. This means your money is at greater risk.
- In difficult market conditions, the value of some investments may be less predictable than normal and the 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.
- For further risk information please see the Prospectus.

MI Polen Capital Asia 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	0.00%
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

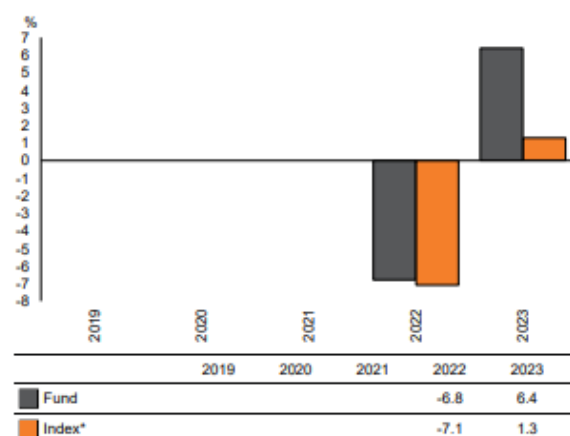
Ongoing charges	1.00%
-----------------	-------

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 2023.
- In order to maximise income payments the Fund's fees, charges and expenses are taken from capital. This has the effect of increasing the Fund's income distribution but will constrain capital performance by an equivalent amount.
- For more information about charges, please see the prospectus.

Past performance



Source: FE fundinfo 2024

- You should be aware that past performance is not a guide to future performance.
- Fund launch date: 05/03/2012.
- Share/unit class launch date: 10/12/2021.
- Performance is calculated in GBP.
- On 12 June 2021 the Funds name changed from Liontrust Asia Income Fund to MI Somerset Asia Income Fund.
- On 22 July 2024 the Funds name changed from MI Somerset Asia Income Fund to MI Polen Capital Asia Income Fund.
- * MSCI AC Asia Pacific ex Japan

Practical information

- This document is issued by Apex Fundrock Ltd and contains information on the Class I Accumulation Units only ("MI" and "MI Funds" are trading names of the Manager).
- 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 Fundrock 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 026 4282, or look on our website for the latest share prices.
- Details of the Manager'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 Trustee 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 Fundrock 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.

