



MI Bespoke Funds ICVC

Interim Report 30 September 2023

MI Bespoke Funds ICVC

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Directory

Authorised Corporate Director ('ACD') & Registrar

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

Customer Service Centre

Hamilton Centre, Rodney Way, Chelmsford, Essex CM1 3BY
Telephone: 0345 026 4281
Fax: 0845 280 2234
E-mail: bespokefunds@maitlandgroup.com

Directors of the Authorised Corporate Director

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

Investment Manager

Lowes Investment Management Ltd
Fernwood House, Clayton Road, Jesmond, Newcastle Upon Tyne NE2 1TL
(Authorised and regulated by the Financial Conduct Authority)

Fund Managers

Paul Milburn
Doug Millward

Depositary

BNP Paribas Trust Corporation UK Limited
10 Harewood Avenue, London NW1 6AA
(Authorised and regulated by the Financial Conduct Authority)

Independent Auditor

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

MI Bespoke Funds ICVC

Basis of Accounting

The interim financial statements have been prepared under the historical cost basis, as modified by revaluation of investments and in accordance with FRS102 and the Statement of Recommended Practice ('SORP') for the Financial Statements of Authorised Funds issued by the Investment Association ('IA') in May 2014 and amended in June 2017.

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

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

Certification of the Interim Report by the Authorised Corporate Director

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



C. O'Keeffe

P.J. Foley-Brickley

Directors

Apex Fundrock Limited

27 November 2023

Investment Objective and Policy

The investment objective of the MI Diversified Strategy Fund is to achieve long term capital growth. The Sub-fund intends to meet its objectives through exposure to a combination of equities, fixed interest and structured products. The majority of the Sub-fund's exposure will be to equities. It may also have exposure to property. With the exception of structured products, this exposure will be through investment in OEICs, unit trusts, investment trusts, Exchange Traded Funds and other collective investment schemes across several management groups. It may also invest in equities from the world's major markets, bonds and other transferable securities. The Sub-fund has no specific limits on exposures to any asset class, geographic area, industry or economic sectors.

The Sub-fund may hold derivatives for efficient portfolio management purposes only. It is not intended that the use of derivatives for efficient portfolio management purposes will increase the risk profile of the Sub-fund.

Investment Manager's Report

for the period ended 30 September 2023

Performance Review

For the period since the full accounts were last prepared (31st March 2023 to 30th September 2023) the total return of the C share class was 0.11%, compared to 0.08% for the IA Flexible Investment sector average. The total return of the B share class over the six months was 0.11%.

The Sub-fund is ranked 84th out of 163 funds available over the six months and 68th out of 97 since launch, placing it in the third quartile of its sector over both the respective periods.

Source: FE Analytics. Total return. Bid to bid.

Market Review

The six month period since the last accounts were published was fairly flat for equity investors in the UK and Europe as the effects of high inflation and rising interest rates depressed economic activity. Other regions fared somewhat differently, however, with the U.S., as measured by the S&P 500 total return index, and Japan, as measured by the Nikkei 225 total return index, both being up by 4.93% and 13.61% respectively. Currency fluctuations dampened these returns for sterling investors, however, with the return from Japanese equities particularly affected bringing the return down for a UK investor to just 2.64%. Meanwhile China continued to disappoint, with the Hang Seng index down 9.98% on a total return basis, in local currency terms.

UK Corporate Bonds, as measured by the ICE BofA Sterling Corporate index, continued their downward trend over the first three months of the period and were down 5.53% from the 31st March to the 6th July in capital terms. Inflation started to show signs of coming under control, however, leading to the belief that interest rates might soon reach their peak levels. This led to a slight recovery in capital values, with the index rising 2.44% from the low to the end of the period, although they were still down 3.23% over the full six months. This fall in values did lead to some attractive yields in the asset class, which were attractive to newer investors.

Source: FE Analytics. Capital return. Bid to bid.

Portfolio Activity

The portfolio continues to provide a broad range of asset classes and geographical allocations.

April saw the Sub-fund increase its fixed interest holdings with the addition of the Man GLG Dynamic Income fund. This purchase was funded by the sale of the Artemis US Smaller Companies and the Baillie Gifford Japanese Income Growth funds, which were both sold on performance grounds. This purchase took the allocation to fixed interest slightly above the neutral allocation, in anticipation of interest rate rises approaching their peak levels. The Sub-fund also managed to gain access to the founder share class for this fund, giving a lower operating charge figure ('OCF') of 0.46%, compared to the usual OCF of 0.70% for this holding.

The holding in the Man GLG Dynamic Income fund was further topped up in May following a reduction in the Carmignac Long Short European Equity fund. This reduced the exposure to alternatives in favour of fixed interest as the economic outlook continued to point to interest rates getting close to their peak levels.

Inflows in June were used to increase the holdings in the Lightman European and Liontrust Special Situations funds, increasing the exposure to equities in general and Europe and UK in particular. The decision to allocate to these two regions was made on valuation grounds, with both trading at large discounts to their long-term averages.

In July, following a sustained period of outperformance, the holding in the Tellworth UK Select fund had grown to account for more than 6% of the total Sub-fund value. It was decided to trim this therefore, adding the proceeds to the Man GLG Dynamic Income fund, reducing our allocation to alternatives further in favour of fixed interest.

MI Diversified Strategy Fund

Investment Manager's Report

continued

August saw the holding in the FSSA All China fund be sold. Originally purchased to benefit from the re-opening of the Chinese economy following their incredibly strict lockdowns, this did prove to be true, but only initially. Problems within the Chinese property sector, plus other domestic headwinds coming to the fore led the post Covid recovery to falter. It was decided to exit this position therefore, in favour of the broader Emerging Market funds already within the Sub-fund.

Finally, September saw a structured note with Société Générale mature with a gain. Originally struck in September 2018, the underlying FTSE 100 index was down on all the previous observation dates, only finally being at a level to mature on this, its fifth anniversary. With the FTSE 100 only up 5.05% over the investment period on a capital return basis, the structured note accrued a 12% coupon for each year it was in force, ultimately maturing with a 60% gain.

Outlook

With what is now becoming a case of déjà vu, global economies continue to be dominated by inflation and the interest rate rises made by central banks to bring it back under control. We do now, however, seem to be moving into a new phase, with inflation starting to fall in most developed economies, although still at elevated levels. This has allowed the central banks in the U.S., the UK and Europe to "pause" their rate rises while the full effects of those already made filter through the system. With inflation still above the long-term targets, however, they are unlikely to start cutting rates soon for fear of it returning again as happened in the 1970's.

The U.S. appears to be on target for a soft landing, with higher interest rates causing inflation to fall, but not at the expense of the economy entering a recession. Whether this proves to be the case in the UK and Europe still remains to be seen, but hopefully if they do enter a recession it will not be too severe, as the labour markets continue to remain tight.

This is an improvement on the outlook previously, leading us to be more optimistic going forward. Even if interest rates do not fall, simply ending the incessant increases we have experienced over the last two years will allow the capital values of fixed interest assets to stabilise. Coupled with the attractive yields now on offer this is once again becoming an appealing asset class.

Also, with any recessions we do experience now not likely to be as deep as originally feared, we expect equities to be more positive beyond the short term. Time will tell, of course, but we have already begun to slowly reduce our allocation to alternatives in favour of equities and fixed interest assets, taking advantage of pockets of value seen in certain regions to provide an attractive entry point.

Lowes Investment Management

November 2023

Portfolio Statement

as at 30 September 2023

Holding	Security	Market value £	% of total net assets 2023
STRUCTURED PRODUCTS 3.04% (4.83%)			
Structured Products 3.04% (4.83%)			
500,000	Citi CSDI Autocall 28.10.30 [†]	553,950	1.51
500,000	Morgan Stanley Preference 29.07.30 [†]	563,600	1.53
		<hr/>	
		1,117,550	3.04
FUNDS 93.48% (89.56%)			
Bond Funds 21.57% (15.55%)			
1,864,486	Artemis Target Return Bond - GBP Accumulation*	2,046,833	5.57
99,995	Gam Star Credit Opportunities - GBP Accumulation*	1,646,915	4.48
18,630	Man GLG Dynamic Income - IF H GBP Capitalisation*	2,039,753	5.54
9,608	MI TwentyFour Dynamic Bond - I Net Accumulation^*	1,604,230	4.37
5,091	Nomura Global Dynamic Bond - I GBP*	590,655	1.61
		<hr/>	
		7,928,386	21.57
Commodity Funds 6.37% (7.34%)			
50,793	Merian Gold & Silver - R Accumulation*	776,577	2.11
681,618	TB Amati Strategic Metals - B Accumulation*	591,917	1.61
57,496	WisdomTree Physical Silver ETF	974,333	2.65
		<hr/>	
		2,342,827	6.37
Emerging Markets 8.53% (8.26%)			
362,286	Lazard Emerging Markets - A Accumulation GBP*	1,470,788	4.00
7,817	Redwheel Next Generation Emerging Markets Equity - I GBP Accumulation*	1,663,057	4.53
		<hr/>	
		3,133,845	8.53
Europe 11.21% (12.79%)			
9,781	Carmignac Portfolio Long-Short European Equities GBP Accumulation*	1,502,560	4.09
1,347,679	ES R&M European - F Accumulation*	1,781,901	4.85
568,243	LF Lightman European - R Accumulation*	834,579	2.27
		<hr/>	
		4,119,040	11.21
Far East 6.91% (7.13%)			
587,514	First State Asia Focus - B Accumulation*	1,265,741	3.45
450,176	Merian Asia Pacific - R Accumulation*	1,271,839	3.46
		<hr/>	
		2,537,580	6.91
Japan 7.87% (7.58%)			
1,041,772	First State Japan Focus - B Accumulation*	958,431	2.61
901,830	Man GLG Japan Core Alpha - A Accumulation*	1,932,622	5.26
		<hr/>	
		2,891,053	7.87
United Kingdom 20.05% (20.57%)			
413,607	Liontrust Special Situations - A Income*	1,866,568	5.08
1,433,682	Schroder Recovery - Z Accumulation*	2,008,588	5.47
1,338,857	TM Crux UK Special Situations - I Accumulation*	1,482,784	4.04
1,478,986	TM Tellworth UK Select*	2,006,983	5.46
		<hr/>	
		7,364,923	20.05

MI Diversified Strategy Fund

Portfolio Statement

continued

Holding	Security	Market value £	% of total net assets 2023
United States of America 10.97% (10.34%)			
43,859	Dodge & Cox US Stock - GBP Accumulation*	2,201,295	5.99
258,241	Threadneedle American Extended Alpha*	1,829,819	4.98
		4,031,114	10.97
	Investment assets	35,466,318	96.52
	Net other assets	1,279,119	3.48
	Net assets	36,745,437	100.00

All investments are ordinary shares or stock units on a regulated securities market unless otherwise stated. The percentages in brackets show the equivalent % holdings as at 31.03.23.

^Apex Fundrock Limited also acts as ACD for this fund.

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

†Structured Products, not listed on any exchange.

Total purchases for the period: £2,721,900

Total sales for the period: £1,917,325

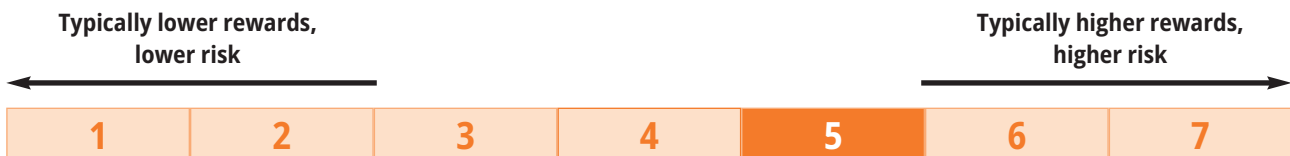
Net Asset Value and Shares in Issue

Class	Net Asset Value	Shares in issue	Net Asset Value per share p	Operating Charge Figure*
B Income	£453,743	344,078	131.87	1.20%
C Income	£3,015,284	2,257,278	133.58	1.20%
C Accumulation	£33,276,410	23,649,399	140.71	1.20%

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

Risk and Reward Profile

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



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

- Counterparty risk: The Sub-fund can conclude various transactions with contractual partners. If a contractual partner becomes insolvent, it can no longer or can only partly settle unpaid debts owed to the Sub-fund.
- Market risk: External factors can cause an entire asset class to decline in value which would result in a decrease in the value of investments.
- Currency risk: As the Sub-fund invests in overseas securities, movements in exchange rates, when not hedged, may cause the value of investments to increase or decrease.
- For further risk information please see the Prospectus.

Risk warning

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

MI Diversified Strategy Fund

Statement of Total Return

for the period ended 30 September 2023

	30.09.23		30.09.22	
	£	£	£	£
Income				
Net capital losses		(395,407)		(4,633,256)
Revenue	479,390		435,321	
Expenses	(83,659)		(61,374)	
Interest payable and similar charges	(3,020)		–	
Net revenue before taxation	392,711		373,947	
Taxation	(37,855)		(27,081)	
Net revenue after taxation		354,856		346,866
Total return before distributions		(40,551)		(4,286,390)
Distributions		(8,946)		(26,376)
Change in net assets attributable to Shareholders from investment activities		(49,497)		(4,312,766)

Statement of Change in Net Assets Attributable to Shareholders

for the period ended 30 September 2023

	30.09.23		30.09.22	
	£	£	£	£
Opening net assets attributable to Shareholders		36,998,726		46,970,116
Amounts receivable on issue of shares	1,941,710		3,115,370	
Less: Amounts payable on cancellation of shares	(2,145,602)		(6,962,492)	
		(203,892)		(3,847,122)
Change in net assets attributable to Shareholders from investment activities (see Statement of Total Return above)		(49,497)		(4,312,766)
Unclaimed distributions		100		–
Closing net assets attributable to Shareholders		36,745,437		38,810,228

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

Balance Sheet

as at 30 September 2023

	£	30.09.23	£	£	31.03.23	£
ASSETS						
Fixed Assets						
Investments		35,466,318			34,923,576	
Current Assets						
Debtors	26,700			1,345,821		
Cash and bank balances	1,555,274			871,678		
Total current assets		1,581,974			2,217,499	
Total assets		37,048,292			37,141,075	
LIABILITIES						
Creditors						
Distribution payable	-			(39,114)		
Other creditors	(302,855)			(103,235)		
Total creditors		(302,855)			(142,349)	
Total liabilities		(302,855)			(142,349)	
Net assets attributable to Shareholders		36,745,437			36,998,726	

MI Bespoke Funds ICVC

General Information

Authorised Status

MI Bespoke Funds ICVC (the 'Company') is structured as an Investment Company with Variable Capital ('ICVC'), under regulation 12 (Authorisation) of the OEIC Regulations (Open-Ended Investment Companies Regulations 2001 (SI 2001/1228)).

The Company does not intend to have an interest in immovable property.

The Company is authorised and regulated in the UK by the Financial Conduct Authority ('FCA') as a UCITS Retail Scheme and "Umbrella Company" under the COLL Sourcebook.

The Company was incorporated in England and Wales on 18 March 2015 under registration number IC001027. The Shareholders are not liable for the debts of the Company.

MI Bespoke Funds ICVC is structured as an Umbrella Company. Provision exists for an unlimited number of Sub-funds, and at the date of this Report one Sub-fund, the MI Diversified Strategy Fund is authorised.

Head Office

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

Address for Service

The Head Office is the address in the United Kingdom for service on the Company of notices or other documents required or authorised to be served on it.

Base Currency

The base currency of the Company is Pounds Sterling.

Share Capital

The minimum share capital of the Company is £1,000 and the maximum is £100,000,000,000. Shares in the Company have no par value. The share capital of the Company at all times equals the sum of the net asset value of the Sub-fund.

Classes of Shares

The Instrument of Incorporation allows each Sub-fund to issue different classes of shares in respect of any Sub-fund.

The Sub-fund currently has the following classes of shares available for investment:

Sub-fund	Share Class			
	B Acc	B Inc	C Acc	C Inc
MI Diversified Strategy Fund	✓*	✓	✓	✓

*This share class has no investment at the date of this report.

The Company may issue both Income and Accumulation Shares.

Holders of Income shares are entitled to be paid the revenue attributable to such shares in respect of each annual accounting period in the currency of the relevant share class.

Holders of Accumulation shares are not entitled to be paid the revenue attributable to such shares, but that revenue is retained and accumulated for the benefit of Shareholders and is reflected in the price of shares.

Valuation Point

The scheme property of each Sub-fund will normally be valued at 12:00 on each dealing day for the purpose of calculating the price at which shares in each Sub-fund may be issued, sold, repurchased or redeemed.

For the purpose of the pricing of shares, a business day is defined as a day on which the dealing office of the ACD is open for the buying and selling of shares. The ACD may at any time during a business day carry out an additional valuation of the property of the Sub-fund if the ACD considers it desirable to do so, with the Depositary's approval.

General Information

continued

Buying, Redeeming and Switching of Shares

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

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

Or by telephone to: 0345 026 4281

The ACD has the right to establish facilities for recording telephone calls made or received on this telephone line.

A contract note giving details of the shares purchased will be issued no later than the next business day after the business day on which an application to purchase shares is received and instrumented by the ACD. Certificates will not be issued in respect of shares. Ownership of shares will be evidenced by an entry on the register of Shareholders.

Pricing Basis

There is a single price for buying, selling and switching shares in a Fund which represents the Net Asset Value of the Sub-fund concerned. The share price is calculated on a forward pricing basis, that is at the next Valuation Point after the purchase or redemption is deemed to be accepted by the ACD.

The prices of shares are published daily on www.fundrock.com. Neither the Company nor the ACD can be held responsible for any errors in the publication of the prices. The shares in each Sub-fund will be issued and redeemed on a forward pricing basis which means that the price will not necessarily be the same as the published price.

Other Information

The Instrument of Incorporation, Prospectus, Key Investor Information Document and the most recent interim and annual reports may be inspected at the office of the Company which is also the Head Office of the Company. Copies may be obtained free of charge upon application. They are also available from the website of the Company, the details of which are given in the directory of this report.

Shareholders who have complaints about the operation of the Company should in the first instance contact the ACD, or, following that, may make their complaint direct to the Financial Ombudsman Service, Exchange Tower, London E14 9SR.

Significant Information

Effective 13 July 2023 Maitland Institutional Services Limited changed name to Apex Fundrock Limited.

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

Risk Warning

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

