



# MI Chelverton Equity Fund

Annual Report 31 December 2023

# MI Chelverton Equity Fund

## Contents

Page

Directory*	1
Statement of the Authorised Corporate Director's Responsibilities	2
Certification of the Annual Report by the Authorised Corporate Director	2
Statement of the Depository's Responsibilities in Respect of the Scheme and Report of the Depository to the Shareholders	3
Independent Auditor's Report to the Shareholders	4
Accounting Policies and Risk Management Policies	7
<b>MI Chelverton UK Equity Income Fund</b>	
Investment Objective and Policy*	11
Investment Manager's Report*	11
Portfolio Statement*	12
Comparative Tables	16
Risk and Reward Profile*	18
Statement of Total Return	19
Statement of Change in Net Assets Attributable to Shareholders	19
Balance Sheet	20
Notes to the Financial Statements	21
Distribution Tables	28
<b>MI Chelverton UK Equity Growth Fund</b>	
Investment Objective and Policy*	30
Investment Manager's Report*	30
Portfolio Statement*	32
Comparative Tables	37
Risk and Reward Profile*	39
Statement of Total Return	40
Statement of Change in Net Assets Attributable to Shareholders	40
Balance Sheet	41
Notes to the Financial Statements	42
Distribution Tables	48
<b>MI Chelverton European Select Fund</b>	
Investment Objective and Policy*	49
Investment Manager's Report*	49
Portfolio Statement*	51
Comparative Tables	54
Risk and Reward Profile*	57
Statement of Total Return	58
Statement of Change in Net Assets Attributable to Shareholders	58
Balance Sheet	59
Notes to the Financial Statements	60
Distribution Tables	67
General Information*	68

\* These collectively comprise the Authorised Corporate Director's Report.

## 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](http://www.fundrock.com)  
(Authorised and regulated by the Financial Conduct Authority)

### Customer Service Centre

Hamilton Centre, Rodney Way, Chelmsford, Essex CM1 3BY  
Telephone: 0345 305 4217  
Fax: 0845 280 0188  
E-mail: [chelverton@apexgroup.com](mailto:chelverton@apexgroup.com)

### Directors of the Authorised Corporate Director

A.C. Deptford  
P.J. Foley-Brickley  
I.T. Oddy (appointed 9 June 2023) (retired 7 March 2024)  
C. O'Keeffe  
D. Phillips (Non-Executive Director)  
J. Thompson (Non-Executive Director)

### Investment Manager

Chelverton Asset Management Limited  
11 Laura Place, Bath BA2 4BL  
(Authorised and regulated by the Financial Conduct Authority)

### Fund Managers

James Baker  
Edward Booth  
Henry Botting  
David Horner  
Oliver Knott  
Dale Robertson  
Gareth Rudd  
David Taylor

### Depositary

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

### Independent Auditor

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

## Statement of the Authorised Corporate Director's Responsibilities

The Collective Investment Schemes Sourcebook published by the FCA, ('the COLL Rules') requires the Authorised Corporate Director ('ACD') to prepare financial statements for each annual accounting period which give a true and fair view of the financial position of the Company and of the net revenue and net gains or losses on the property of the Company for the year.

In preparing the financial statements the ACD is responsible for:

- selecting suitable accounting policies and then applying them consistently;
- making judgements and estimates that are reasonable and prudent;
- following UK accounting standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland;
- complying with the disclosure requirements of the Statement of Recommended Practice for Financial Statements of UK Authorised Funds issued by the Investment Association ('IA') in May 2014 as amended in June 2017;
- keeping proper accounting records which enable it to demonstrate that the financial statements as prepared comply with the above requirements;
- assessing the Company and its Sub-funds' ability to continue as a going concern, disclosing, as applicable, matters related to going concern;
- using the going concern basis of accounting unless they either intend to liquidate the Company or terminate the Sub-fund or to cease operations, or have no realistic alternative but to do so;
- such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; and
- taking reasonable steps for the prevention and detection of fraud and irregularities.

The ACD is responsible for the management of the Company in accordance with its Instrument of Incorporation, the Prospectus and the COLL Rules.

The ACD is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable it to ensure that the financial statements comply with the Sourcebook. The ACD is also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the ACD is aware:

- there is no relevant audit information of which the Company's Auditor is unaware; and
- the ACD has taken all steps that it ought to have taken to make itself aware of any relevant audit information and to establish that the Auditor is aware of that information.

## Certification of the Annual Report by the Authorised Corporate Director

The 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 for Financial Statements of UK Authorised Funds issued by the IA.



**P.J. Foley-Brickley**

**C. O'Keeffe**

Directors

Apex Fundrock Limited

18 April 2024

## Statement of the Depositary's Responsibilities in Respect of the Scheme and Report of the Depositary to the Shareholders of the MI Chelverton Equity Fund ('the Company').

for the year ended 31 December 2023

The Depositary must ensure that the Company is managed in accordance with the Financial Conduct Authority's Collective Investment Schemes Sourcebook, the Open-Ended Investment Companies Regulations 2001 (SI 2001/1228), as amended, the Financial Services and Markets Act 2000, as amended, (together 'the Regulations'), the Company's Instrument of Incorporation and Prospectus (together 'the Scheme documents') as detailed below.

The Depositary must in the context of its role act honestly, fairly, professionally, independently and in the interests of the Company and its investors.

The Depositary is responsible for the safekeeping of all custodial assets and maintaining a record of all other assets of the Company in accordance with the Regulations.

The Depositary must ensure that:

- the Company's cash flows are properly monitored and that cash of the Company is booked into the cash accounts in accordance with the Regulations;
- the sale, issue, repurchase, redemption and cancellation of shares are carried out in accordance with the Regulations;
- the value of shares of the Company are calculated in accordance with the Regulations;
- any consideration relating to transactions in the Company's assets is remitted to the Company within the usual time limits;
- the Company's income is applied in accordance with the Regulations; and
- the instructions of the Authorised Corporate Director ('the ACD'), are carried out (unless they conflict with the Regulations).

The Depositary also has a duty to take reasonable care to ensure that Company is managed in accordance with the Regulations and Scheme documents in relation to the investment and borrowing powers applicable to the Company.

Having carried out such procedures as we consider necessary to discharge our responsibilities as depositary of the Company, it is our opinion, based on the information available to us and the explanations provided, that in all material respects the Company, acting through the ACD:

- (i) has carried out the issue, sale, redemption and cancellation, and calculation of the price of the Company's shares and the application of the Company's income in accordance with the Regulations and the Scheme documents of the Company; and
- (ii) has observed the investment and borrowing powers and restrictions applicable to the Company.

### **Northern Trust Investor Services Limited**

UK Trustee and Depositary Services

18 April 2024

# MI Chelverton Equity Fund

## Independent Auditor's Report to the Shareholders of MI Chelverton Equity Fund ('the Company')

### Opinion

We have audited the financial statements of MI Chelverton Equity Fund (the 'Company') for the year ended 31 December 2023. These financial statements comprise together the statement of accounting policies and risk management policies, and the individual financial statements of each of the following Sub-funds (the 'Sub-funds') of the Company:

- MI Chelverton UK Equity Income Fund
- MI Chelverton UK Equity Growth Fund
- MI Chelverton European Select Fund

The individual financial statements for each of the Company's Sub-funds comprise the Statement of Total Return, the Statement of Change in Net Assets Attributable to Shareholders, the Balance Sheet, Notes to the Financial Statements and the Distribution Tables.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice) and the Statement of Recommended Practice 'Financial Statements of UK Authorised Funds' issued by the Investment Association in May 2014 as amended in June 2017, the rules of the Collective Investment Schemes Sourcebook and the Company's Instrument of Incorporation.

In our opinion, the financial statements:

- give a true and fair view of the financial position of the Company and each of the Sub-funds as at 31 December 2023 and of the net revenue and net capital gains/(losses) on the scheme property of the Company and each of the Sub-funds for the year then ended, and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, the Statement of Recommended Practice 'Financial Statements of UK Authorised Funds' issued by the Investment Association in May 2014 as amended in June 2017, the rules of the Collective Investment Schemes Sourcebook, and the Company's Instrument of Incorporation.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Conclusions relating to going concern

We are responsible for concluding on the appropriateness of the Authorised Corporate Director's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's and each of the Sub-fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the Company and each of the Sub-funds to cease to continue as a going concern.

In our evaluation of the Authorised Corporate Director's conclusions, we considered the inherent risks associated with the Company's and each of the Sub-fund's business model including effects arising from macro-economic uncertainties such as the Ukrainian War and Cost of Living Crisis, we assessed and challenged the reasonableness of estimates made by the Authorised Corporate Director and the related disclosures and analysed how those risks might affect the Company's and each of the Sub-fund's financial resources or ability to continue operations over the going concern period.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's and each of the Sub-fund's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the Authorised Corporate Director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

The responsibilities of the Authorised Corporate Director with respect to going concern are described in the 'Responsibilities of the Authorised Corporate Director' section of this report.

## Independent Auditor's Report to the Shareholders of MI Chelverton Equity Fund ('the Company')

continued

### Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The Authorised Corporate Director is responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

### Opinion on other matters prescribed by the Collective Investment Schemes Sourcebook

In our opinion:

- we have been given all the information and explanations, which, to the best of our knowledge and belief, are necessary for the purposes of our audit, and
- the information given in the Authorised Corporate Director's Report (which comprises; on page 1, Directory; within the Sub-funds, the Investment Objective and Policy, the Investment Manager's Report, the Portfolio Statement, the Risk and Reward Profile; and on page 68, the General Information) is consistent with the financial statements.

### Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Collective Investment Schemes Sourcebook requires us to report to you if, in our opinion:

- proper accounting records for the Company or a Sub-fund have not been kept, or
- the financial statements are not in agreement with those accounting records.

### Responsibilities of the Authorised Corporate Director

As explained more fully in the Statement of the Authorised Corporate Director's Responsibilities, the Authorised Corporate Director is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Authorised Corporate Director determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Authorised Corporate Director is responsible for assessing the Company's and each of the Sub-funds ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Authorised Corporate Director either intends to terminate a Sub-fund, wind up the Company or to cease operations, or has no realistic alternative but to do so.

### Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

### Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with ISAs (UK).

## Independent Auditor's Report to the Shareholders of MI Chelverton Equity Fund ('the Company')

continued

The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below:

- We obtained an understanding of the legal and regulatory frameworks applicable to the Company and the industry in which it operates. We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our sector experience and through discussion with management. We determined that the most significant laws and regulations were the Collective Investment Schemes Sourcebook, the Investment Association Statement of Recommended Practice ('SORP') 'Financial Statements of UK Authorised Funds' and United Kingdom Accounting Standards, including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.
- We enquired of the Authorised Corporate Director and management to obtain an understanding of how the Company is complying with those legal and regulatory frameworks and whether there were any instances of non-compliance with laws and regulations and whether they had any knowledge of actual or suspected fraud. We corroborated the results of our enquiries through our review of the breaches register.
- In assessing the potential risks of material misstatement, we obtained an understanding of: the Company's operations, including the nature of its revenue sources, and of its objective to understand the classes of transactions, account balances, expected financial statement disclosures and business risks that may result in risks of material misstatement and the Company's control environment, including the policies and procedures implemented to mitigate risks of fraud or non-compliance with the relevant laws and regulations.
- We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur by evaluating management's incentives and opportunities for manipulation of the financial statements. This included an evaluation of the risk of management override of controls. Audit procedures performed by the engagement team in connection with the risks identified included:
  - evaluation of the design and implementation of controls that management has put in place to prevent and detect fraud;
  - testing journal entries, including manual journal entries processed at the year end for financial statements preparation; and
  - challenging the assumptions and judgements made by management in its significant accounting estimates.
- These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error and detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it.
- The engagement partner's assessment of the appropriateness of the collective competence and capabilities of the engagement team included consideration of the engagement team's:
  - understanding of, and practical experience with, audit engagements of a similar nature and complexity, through appropriate training and participation;
  - knowledge of the industry in which the Company operates; and
  - understanding of the legal and regulatory frameworks applicable to the Company.

### Use of our report

This report is made solely to the Company's Shareholders, as a body, in accordance with regulation 67(2) of the Open-Ended Investment Companies Regulations 2001, and with Rule 4.5.12 of the Collective Investment Schemes Sourcebook. Our audit work has been undertaken so that we might state to the Company's Shareholders those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's Shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

  
**Grant Thornton UK LLP**

Statutory Auditor, Chartered Accountants  
London, United Kingdom  
18 April 2024



## Accounting Policies and Risk Management Policies

for the year ended 31 December 2023

### 1. Accounting Policies

The financial statements for MI Chelverton Equity Fund comprises the individual financial statements for each Sub-fund and the accounting policies and risk management policies below:

#### (a) Basis of accounting

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

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

The Authorised Status and head office of the Sub-funds can be found within the general information starting on page 68.

The Certification of the Annual Report by the Authorised Corporate Director ('ACD') can be found on page 2.

#### (b) Recognition of revenue

Revenue is included in the Statement of Total Return on the following basis:

Dividends on quoted equities and preference shares are recognised when the securities are quoted ex-dividend.

Interest on bank and short-term deposits is recognised on receipts basis.

All revenue includes withholding taxes but excludes irrecoverable tax credits.

#### (c) Treatment of stock and special dividends

The ordinary element of stocks received in lieu of cash dividends is credited to capital in the first instance followed by a transfer to revenue of the cash equivalent being offered and this forms part of the distributable revenue.

Special dividends are reviewed on a case by case basis in determining whether the dividend is to be treated as revenue or capital. Amounts recognised as revenue will form part of the distributable revenue. The tax accounting treatment follows the treatment of the principal amount.

#### (d) Treatment of expenses

All expenses, except for those relating to the purchase and sale of investments, are charged against revenue for the year on an accruals basis.

#### (e) Allocation of revenue and expenses to multiple share classes and Sub-funds

Any revenue or expense not directly attributable to a particular Sub-fund will normally be allocated pro-rata to the net assets of the relevant share classes and Sub-funds on the day that the revenue or expense is recognised.

With the exception of the Investment Manager's fee which is directly attributable to individual share classes, all revenue and expenses are apportioned to the Sub-fund's share classes pro-rata to the value of the net assets of the relevant share class on the day that the revenue or expense is recognised.

#### (f) Taxation

Corporation tax is provided at 20% on revenue, after deduction of expenses.

Deferred tax is provided using the liability method on all timing differences arising on the treatment of certain items for taxation and accounting purposes, calculated at the rate at which it is anticipated the timing differences will reverse. Deferred tax assets are recognised only when, on the basis of available evidence, it is more likely than not that there will be taxable profits in the future against which the deferred tax asset can be offset.

#### (g) Distribution policy

The net revenue after taxation as disclosed in the financial statements, after adjustment for items of a capital nature, is distributable to Shareholders as dividend distributions. Any revenue deficit is funded from capital.

Interim distributions may be made at the ACD's discretion and the balance of revenue is distributed in accordance with the regulations.

For the purpose of enhancing revenue entitlement, all expenses in respect of the MI Chelverton Equity Income Fund are allocated to capital for the year on an accruals basis. This will reduce the capital growth of the Sub-fund.

Distributions not claimed within a six year period will be forfeited and added back to the capital of the Sub-fund.

## Accounting Policies and Risk Management Policies

continued

### 1. Accounting Policies (continued)

#### (h) Basis of valuation of investments

Listed investments are valued at close of business bid prices on the last business day of the accounting year excluding any accrued interest in the case of fixed and floating rate interest securities.

Unlisted or suspended investments are valued by the Investment Manager taking into account where appropriate, latest dealing prices, valuations from reliable sources, financial performance and other relevant factors.

Market value is defined by the SORP as fair value, which generally is the bid value of each security.

Categorisation within the hierarchy has been determined on the basis of the lowest level input that is significant to the fair value measurement of the relevant asset as follows:

- Level 1 – Unadjusted quoted price in an active market for an identical instrument.
- Level 2 – Valuation techniques using observable inputs other than quoted prices within Level 1.
- Level 3 – Valuation techniques using unobservable inputs.

#### (i) Exchange rates

Transactions in foreign currencies are recorded in sterling at the rate ruling at the date of the transactions. Assets and liabilities expressed in foreign currencies at the end of the accounting period are translated into sterling at the closing exchange rates ruling on that date.

#### (j) Dilution levy

The ACD may require a dilution levy on the purchase and redemption of shares if, in its opinion, the existing Shareholders (for purchases) or remaining Shareholders (for redemptions) might otherwise be adversely affected. For example, the dilution levy may be charged in the following circumstances: where the scheme property is in continual decline; on a Sub-fund experiencing large levels of net purchases relative to its size; on 'large deals' (typically being a purchase or redemption of shares to a size exceeding 5% of the Net Asset Value of the Company); in any case where the ACD is of the opinion that the interests of remaining Shareholders require the imposition of a dilution levy.

## Accounting Policies and Risk Management Policies

continued

### 2. Risk Management Policies

In pursuing its investment objectives, the Sub-funds may hold a number of financial instruments. These financial instruments comprise securities and other investments, cash balances, debtors and creditors that arise directly from the Sub-fund's operations, for example, in respect of sales and purchases awaiting settlement, amounts receivable for creations and payable for redemptions and debtors for accrued revenue.

In doing so, the ACD accepts market price risk and currency risk in relation to the investment portfolio and foreign cash positions.

The risks arising from financial instruments and the ACD's policies for the monitoring and managing of these risks are stated below in accordance with the Risk Management Policy of the ACD.

These policies have been consistent for both years through which these financial statements relate.

#### Market price risk

Market price risk arises mainly from uncertainty about future prices of financial instruments held. It represents the potential loss the Sub-funds might suffer through holding market positions in the face of price movements. This means the value of an investor's holding may go down as well as up and an investor may not recover the amount invested. Investors should consider the degree of exposure of the Sub-funds in the context of all their investments.

The Sub-fund's investment portfolio is exposed to market price fluctuations, which are monitored by the Company as per the policies as set out in the Prospectus. The investment guidelines and investment and borrowing powers set out in the Instrument of Incorporation, the Prospectus and in the Financial Conduct Authority's Collective Investment Schemes Sourcebook describe the nature of the market risk to which the Sub-funds will be exposed.

#### Currency risk

Although the Sub-fund's capital and income are denominated in sterling, a proportion of the Sub-fund's investments may have currency exposure and, as a result, the income and capital value of the Sub-funds are affected by currency movements.

Currency risk is the risk that the value of the Sub-fund's investments will fluctuate as a result of changes in currency exchange rates. For Sub-funds where a proportion of the net assets of the Sub-fund is denominated in currencies other than sterling, the balance sheet can be affected by movements in exchange rates. The Company monitors the currency exposure of the Sub-fund and may seek to manage exposure to currency movements by using forward exchange contracts or by hedging the sterling value of investments that are priced in other currencies.

#### Interest rate risk

Interest rate risk, being the risk that the value of investments will fluctuate as a result of interest rate changes. The majority of the Sub-fund's assets comprise equity shares which neither pay interest nor have a maturity date.

Interest receivable on bank deposits or payable on bank overdraft positions will be affected by fluctuations in interest rates.

#### Credit risk

Credit risk arises from the possibility that the issuer of a security will be unable to pay interest and principal in a timely manner. Adhering to investment guidelines and avoiding excessive exposure to one particular issuer can limit credit risk.

There are no net borrowings.

Stress testing and scenario analysis is carried out on a regular basis.

#### Liquidity risk

Liquidity risk is the risk that a Sub-fund cannot raise sufficient cash to meet its liabilities when due. One of the key factors influencing this will be the ability to sell investments at, or close to, the fair value without a significant loss being realised.

Under normal circumstances, a Sub-fund will remain close to fully invested. However, where circumstances require: either because a view of illiquid securities markets or high levels of redemptions in the Sub-funds, the Sub-fund may hold cash and/or more liquid assets. Temporary higher liquidity levels may also arise during the carrying out of a change in asset allocation policy or following a large issue of shares.

# MI Chelverton Equity Fund

## Accounting Policies and Risk Management Policies

continued

### 2. Risk Management Policies (continued)

The ACD manages the Sub-fund's cash to ensure they can meet their liabilities. In addition, the ACD monitors market liquidity of all securities, seeking to ensure the Sub-funds maintain sufficient liquidity to meet known and potential redemption activity. The Sub-fund's cash balances are monitored daily by the ACD and the Investment Manager. All of the Sub-fund's financial liabilities are payable on demand or in less than one year.

Apex Fundrock Limited ('AFL') conducts regular monitoring to ensure the liquidity profile of a Sub-fund's investments comply with its underlying obligations particularly its ability to meet redemption requests.

Stress tests are undertaken, under normal and exceptional liquidity conditions, in order to assess the liquidity risk of each Sub-fund.

#### Counterparty risk

The risk that the counterparty will not deliver the investments for a purchase or the cash for a sale after the Sub-fund has fulfilled its responsibilities which could result in the Sub-fund suffering a loss. The Investment Manager minimises the risk by conducting trades through only the most reputable counterparties.

#### Fair value of financial assets and liabilities

Investments disclosed as at the balance sheet date are at fair value. Current assets and liabilities disclosed in the balance sheet are at amortised cost which is approximate to fair value.

## Investment Objective and Policy

The objective of the Sub-fund is to provide a progressive income stream and achieve long-term capital growth by investing primarily in a portfolio of fully listed and AIM traded UK equities.

The Sub-fund will invest primarily in UK companies which aim to provide a high initial dividend; progressive dividend payments, and long-term capital appreciation. The asset classes in which the Sub-fund is permitted to invest includes transferable securities, money market instruments, cash and near cash and deposits as permitted for UCITS schemes under COLL and in accordance with the Sub-fund's investment powers as summarised in Appendix 2 of the Prospectus.

## Investment Manager's Report

for the year ended 31 December 2023

In the 12 months to 31 December 2023 the Sub-fund returned 2.38% compared to 7.08% for the IA Equity Income Sector as a whole (Source: Morningstar NAV to NAV, B Shares Acc, Total Return).

As an income fund focussed on UK small and mid-caps our relative performance was adversely affected in the last year by the economic slowdown and the continued outflows from UK equities. Equity markets turned 'risk off' at the end of the first quarter as the problems at SVB led to worries about the US regional banking system and were compounded by the issues at Credit Suisse. Ultimately there was little contagion as financial systems proved to be well capitalised and remained robust. With the monetary authorities determined to reduce inflation rising gilt yields continued to undermine prospects for equities which were already under pressure as economic growth slowed and earnings estimates were widely downgraded. The UK was particularly adversely affected as the economy was seen as an outlier in terms of inflation, largely due to rising energy prices, and by the middle of the year domestic inflation was surprising on the upside due to rising wages. Despite the global economic slowdown, a constant concern throughout the year was that the central banks would tip the global economy into a widespread recession by overtightening and keeping interest rates 'higher for longer'. Despite the strong economic headwinds last year, it is pleasing once again to note that the dividend income from the companies that we invest in were ahead of our expectations.

The ability of a company to pay sustained dividends is obviously in part a reflection of cash flow and balance sheet strength. At the same time, we also had an increased number of companies buying their own shares back, further evidence of strong cash flows. As valuations have fallen the attractions of these cash flows have not gone unnoticed by other corporates and private equity and in the last year our holdings in Numis, DWF, Restaurant Group and Smart Metering Systems were all taken over. Now that interest rates appear to have peaked, we expect levels of corporate activity to pick up and the UK small and mid-cap universe looks to us to be especially vulnerable now. We would also hope to see a pickup in the IPO market as well.

At the stock level the top contributor to performance outside of the bid stocks was XPS Pensions as earnings were upgraded and it was positively re-rated. Moneysupermarket.com was strong and Kitwave performed well as its acquisition of Westcountry Food at the end of 2022 started to bear fruit. Contractor Morgan Sindall also performed well as the fit-out market remained resilient. Diversified Energy detracted value as did Videndum and Synthomer who both issued equity, and iEnergizer was a poor performer as it delisted. We added eight new companies to the portfolio; Intermediate Capital, PageGroup, RWS, Victrex, Hargreaves Services, Mattioli Woods, LondonMetric Property and Britvic, the latter of which we subsequently sold after good performance. On the sell side we sold one of our long-term favourites, Bloomsbury, on yield grounds and we sold Vistry and Virgin Money after disappointing dividend news. As a theme we continue to look to add high 'quality' earnings to our portfolio in difficult times as several 'growth' companies fall into our income universe.

As we enter the new year the narrative has turned from how high interest rates will go to when will they start to be reduced. Although inflation has started to fall, and domestic lenders have started to cut mortgage rates the rhetoric from the Bank of England remains cautious on rate cuts as one area of particular concern remains continued wage rises. At the same time there appears to be a consensus amongst commentators that the Chancellor will look to cut taxes ahead of a general election later in the year and as ever the devil will be in the detail. We would expect the election itself to have little lasting impact on equity valuations with investors hoping for a period of political stability compared with the volatility over the last parliamentary term. Recent trading updates from our investee companies suggest that they are trading in line with current earnings forecasts which have been downgraded over the past year for the majority, although not all of them. Looking forward falling interest rates and increasing economic growth should provide tailwinds to share price performance from what we deem to be oversold levels of valuation. As managers we look forward with an increased optimism to 2024 after the pickup in relative performance in the last couple of months of last year.

# MI Chelverton UK Equity Income Fund

## Portfolio Statement

as at 31 December 2023

Holding	Security	Market value £	% of total net assets 2023
	<b>TECHNOLOGY 3.49% (2.89%)</b>		
	<b>Software and Computer Services 2.26% (1.58%)</b>		
2,500,000	Moneysupermarket.com	7,005,000	2.26
	<b>Technology Hardware and Equipment 1.23% (1.31%)</b>		
2,447,581	TT Electronics	3,823,122	1.23
	<b>TELECOMMUNICATIONS 2.60% (2.75%)</b>		
	<b>Telecommunications Service Providers 2.60% (2.75%)</b>		
500,000	Telecom Plus	8,060,000	2.60
	<b>FINANCIALS 31.05% (27.43%)</b>		
	<b>Banks 2.30% (3.38%)</b>		
565,000	Close Brothers	4,486,100	1.45
383,597	Secure Trust Bank	2,639,147	0.85
		7,125,247	2.30
	<b>Finance and Credit Services 3.79% (2.92%)</b>		
732,000	Mortgage Advice Bureau*	5,592,480	1.80
438,842	Paragon Banking	3,060,923	0.99
2,388,238	Vanquis Banking	3,085,604	1.00
		11,739,007	3.79
	<b>Investment Banking and Brokerage Services 15.36% (12.08%)</b>		
2,300,000	Ashmore	5,124,400	1.65
425,000	IG	3,253,375	1.05
325,000	Intermediate Capital	5,460,000	1.76
496,714	Jupiter Fund Management	463,931	0.15
500,000	Mattioli Woods*	3,050,000	0.98
1,200,000	Polar Capital*	5,592,000	1.81
2,850,000	Premier Miton*	1,824,000	0.59
325,644	Rathbone Brothers	5,633,641	1.82
4,782,609	Sancus Lending*	33,478	0.01
700,000	Tatton Asset Management*	3,724,000	1.20
2,300,000	TP ICAP	4,475,800	1.44
3,850,000	XPS Pensions	8,970,500	2.90
		47,605,125	15.36
	<b>Life Insurance 4.80% (4.37%)</b>		
3,550,459	Chesnara	9,284,450	3.00
1,800,000	Hansard Global	774,000	0.25
900,000	Phoenix	4,806,000	1.55
		14,864,450	4.80
	<b>Nonlife Insurance 4.80% (4.68%)</b>		
900,000	Conduit	4,216,500	1.36
2,000,000	Direct Line Insurance	3,639,000	1.18
1,370,000	Personal*	2,466,000	0.80
3,000,000	Sabre Insurance	4,536,000	1.46
		14,857,500	4.80

**Portfolio Statement**

continued

<b>Holding</b>	<b>Security</b>	<b>Market value £</b>	<b>% of total net assets 2023</b>
	<b>REAL ESTATE 3.35% (2.20%)</b>		
	<b>Real Estate Investment and Services Development 0.35% (0.18%)</b>		
2,350,000	Foxtons	1,081,000	0.35
	<b>Real Estate Investment Trusts 3.00% (2.02%)</b>		
1,750,000	LondonMetric Property	3,351,250	1.08
5,800,000	Regional REIT	2,041,600	0.66
4,500,000	Supermarket Income REIT	3,906,000	1.26
		9,298,850	3.00
	<b>CONSUMER DISCRETIONARY 14.33% (14.52%)</b>		
	<b>Consumer Services 0.32% (0.24%)</b>		
1,591,000	RM	989,602	0.32
	<b>Household Goods and Home Construction 4.25% (4.06%)</b>		
200,000	Bellway	5,120,000	1.65
1,400,000	Crest Nicholson	3,026,800	0.98
1,338,676	Headlam	2,891,540	0.94
3,628,719	Watkin Jones*	2,115,543	0.68
		13,153,883	4.25
	<b>Media 3.25% (4.34%)</b>		
2,650,000	ITV	1,676,390	0.54
2,205,821	STV	4,246,206	1.37
1,249,132	Wilmington	4,147,118	1.34
		10,069,714	3.25
	<b>Retailers 5.38% (4.75%)</b>		
7,000,000	Brown (N)*	1,085,000	0.35
2,400,000	DFS Furniture	2,923,200	0.94
500,000	Dunelm	5,485,000	1.77
1,500,000	Halfords	2,989,500	0.97
2,950,000	Wickes	4,191,950	1.35
		16,674,650	5.38
	<b>Travel and Leisure 1.13% (1.13%)</b>		
3,500,000	Marston's	1,181,250	0.38
1,728,917	Rank	1,296,688	0.42
700,000	Saga	1,015,000	0.33
		3,492,938	1.13
	<b>CONSUMER STAPLES 3.80% (5.03%)</b>		
	<b>Food Producers 2.98% (3.65%)</b>		
6,229,594	Bakkavor	5,033,512	1.62
525,000	Hilton Food	4,200,000	1.36
		9,233,512	2.98
	<b>Personal Care, Drug and Grocery Stores 0.82% (1.38%)</b>		
1,000,666	Kitwave*	2,551,698	0.82

# MI Chelverton UK Equity Income Fund

## Portfolio Statement

continued

Holding	Security	Market value £	% of total net assets 2023
<b>INDUSTRIALS 31.38% (26.78%)</b>			
<b>Construction and Materials 10.74% (7.85%)</b>			
600,000	Alumasc*	1,050,000	0.34
5,301,969	Epwin*	4,241,575	1.37
750,000	Eurocell	945,000	0.30
950,000	Keller	8,350,500	2.69
1,150,000	Marshalls	3,213,100	1.04
210,000	Morgan Sindall	4,641,000	1.50
9,006,149	Severfield	5,727,911	1.85
1,637,673	Tyman	5,117,728	1.65
		<b>33,286,814</b>	<b>10.74</b>
<b>Electronic and Electrical Equipment 2.03% (2.29%)</b>			
1,300,000	Morgan Advanced Materials	3,679,000	1.19
1,250,000	Strix*	912,500	0.29
125,000	XP Power	1,695,000	0.55
		<b>6,286,500</b>	<b>2.03</b>
<b>General Industrials 0.26% (0.00%)</b>			
200,000	Hargreaves Services	820,000	0.26
<b>Industrial Engineering 4.13% (3.25%)</b>			
1,060,000	Somero Enterprises*	3,922,000	1.27
1,550,000	Vesuvius	7,458,600	2.41
405,000	Videndum	1,409,400	0.45
		<b>12,790,000</b>	<b>4.13</b>
<b>Industrial Support Services 9.00% (8.65%)</b>			
975,010	FDM	4,470,421	1.44
1,469,520	Gattaca*	2,086,718	0.67
1,425,000	iEnergizer^	426,075	0.14
425,000	Inchcape	3,040,875	0.98
650,000	PageGroup	3,165,500	1.02
1,050,000	Paypoint	5,449,500	1.76
880,667	RWS*	2,208,713	0.71
250,000	Smart Metering Systems*	2,350,000	0.76
4,783,482	Smiths News	2,554,379	0.83
510,876	Sthree	2,135,462	0.69
		<b>27,887,643</b>	<b>9.00</b>
<b>Industrial Transportation 5.22% (4.74%)</b>			
300,000	Ocean Wilsons	3,600,000	1.16
2,615,000	Redde Northgate	9,492,450	3.07
496,617	VP	3,079,025	0.99
		<b>16,171,475</b>	<b>5.22</b>
<b>BASIC MATERIALS 3.75% (5.07%)</b>			
<b>Industrial Metals and Mining 2.45% (2.43%)</b>			
675,000	Bodycote	4,012,875	1.29
3,579,652	Ecora Resources	3,579,652	1.16
		<b>7,592,527</b>	<b>2.45</b>



**Portfolio Statement**

continued

<b>Holding</b>	<b>Security</b>	<b>Market value £</b>	<b>% of total net assets 2023</b>
	<b>Precious Metals and Mining 0.00% (0.46%)</b>		
	<b>Chemicals 1.30% (2.18%)</b>		
175,000	Johnson Matthey	2,970,625	0.96
68,863	Victrex	1,048,095	0.34
		<b>4,018,720</b>	<b>1.30</b>
	<b>ENERGY 2.40% (3.93%)</b>		
	<b>Oil, Gas and Coal 2.40% (3.93%)</b>		
425,000	Diversified Energy	4,738,750	1.53
12,725,000	Pharos Energy	2,710,425	0.87
		<b>7,449,175</b>	<b>2.40</b>
	<b>UTILITIES 0.95% (1.13%)</b>		
	<b>Electricity 0.95% (1.13%)</b>		
600,000	Drax	2,938,200	0.95
	<b>Investment assets</b>	<b>300,866,352</b>	<b>97.10</b>
	<b>Net other assets</b>	<b>8,974,666</b>	<b>2.90</b>
	<b>Net assets</b>	<b>309,841,018</b>	<b>100.00</b>

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 31.12.22.

\*Quoted on AIM.

^This is a delisted security and has been valued at the ACD's best assessment of their fair value.

# MI Chelverton UK Equity Income Fund

## Comparative Tables

### Change in net assets per share

A Income	31.12.23 p	31.12.22 p	31.12.21 p
<b>Opening net asset value per share</b>	92.20	111.82	95.36
Return before operating charges <sup>^</sup>	2.85	-12.94	22.55
Operating charges	-1.48	-1.57	-1.77
Return after operating charges <sup>^</sup>	1.37	-14.51	20.78
Distributions	-5.16	-5.11	-4.32
<b>Closing net asset value per share</b>	<b>88.41</b>	<b>92.20</b>	<b>111.82</b>
<sup>^</sup> After direct transaction costs of	-0.06	-0.08	-0.13
<b>Performance</b>			
Return after charges	1.48%	-12.98%	21.79%
<b>Other information</b>			
Closing net asset value	£34,307	£40,789	£52,826
Closing number of shares	38,803	44,240	47,240
Operating charges	1.66%	1.64%	1.62%
Ongoing operating charges	1.66%	1.64%	1.62%
Direct transaction costs	0.07%	0.08%	0.12%
<b>Prices</b>			
Highest share price	98.87	113.73	119.33
Lowest share price	77.79	80.89	94.94

A Accumulation	31.12.23 p	31.12.22 p	31.12.21 p
<b>Opening net asset value per share</b>	200.73	230.28	188.90
Return before operating charges <sup>^</sup>	6.73	-26.24	44.94
Operating charges	-3.29	-3.31	-3.56
Return after operating charges <sup>^</sup>	3.44	-29.55	41.38
Distributions	-11.47	-10.72	-8.69
Retained distributions on accumulation shares	11.47	10.72	8.69
<b>Closing net asset value per share</b>	<b>204.17</b>	<b>200.73</b>	<b>230.28</b>
<sup>^</sup> After direct transaction costs of	-0.14	-0.16	-0.26
<b>Performance</b>			
Return after charges	1.71%	-12.83%	21.91%
<b>Other information</b>			
Closing net asset value	£33,609	£35,145	£67,770
Closing number of shares	16,461	17,509	29,429
Operating charges	1.66%	1.64%	1.62%
Ongoing operating charges	1.66%	1.64%	1.62%
Direct transaction costs	0.07%	0.08%	0.12%
<b>Prices</b>			
Highest share price	215.21	234.21	240.88
Lowest share price	177.78	174.31	188.05

## Comparative Tables

continued

### Change in net assets per share

B Income	31.12.23 p	31.12.22 p	31.12.21 p
<b>Opening net asset value per share</b>	103.56	124.67	105.51
Return before operating charges <sup>^</sup>	3.23	-14.45	25.03
Operating charges	-0.91	-0.95	-1.07
Return after operating charges <sup>^</sup>	2.32	-15.40	23.96
Distributions	-5.81	-5.71	-4.80
<b>Closing net asset value per share</b>	<b>100.07</b>	<b>103.56</b>	<b>124.67</b>
<sup>^</sup> After direct transaction costs of	-0.07	-0.09	-0.15
<b>Performance</b>			
Return after charges	2.24%	-12.35%	22.71%
<b>Other information</b>			
Closing net asset value	£234,391,540	£258,689,996	£366,636,754
Closing number of shares	234,235,960	249,787,057	294,087,933
Operating charges	0.91%	0.89%	0.87%
Ongoing operating charges	0.91%	0.89%	0.87%
Direct transaction costs	0.07%	0.08%	0.12%
<b>Prices</b>			
Highest share price	111.14	126.80	132.70
Lowest share price	87.93	90.71	105.10

B Accumulation	31.12.23 p	31.12.22 p	31.12.21 p
<b>Opening net asset value per share</b>	240.83	274.23	223.28
Return before operating charges <sup>^</sup>	8.15	-31.25	53.22
Operating charges	-2.17	-2.15	-2.27
Return after operating charges <sup>^</sup>	5.98	-33.40	50.95
Distributions	-13.81	-12.81	-10.31
Retained distributions on accumulation shares	13.81	12.81	10.31
<b>Closing net asset value per share</b>	<b>246.81</b>	<b>240.83</b>	<b>274.23</b>
<sup>^</sup> After direct transaction costs of	-0.17	-0.19	-0.31
<b>Performance</b>			
Return after charges	2.48%	-12.18%	22.82%
<b>Other information</b>			
Closing net asset value	£75,381,562	£112,642,983	£143,701,805
Closing number of shares	30,542,844	46,772,394	52,401,913
Operating charges	0.91%	0.89%	0.87%
Ongoing operating charges	0.91%	0.89%	0.87%
Direct transaction costs	0.07%	0.08%	0.12%
<b>Prices</b>			
Highest share price	258.39	278.91	286.14
Lowest share price	214.61	208.78	222.39

Operating charges include indirect costs incurred in the maintenance and running of the Sub-fund, as disclosed (but not limited to) the detailed expenses within the Statement of Total Return. The figures used within this table have been calculated against the average Net Asset Value for the accounting year.

The return after charges is calculated as the closing Net Asset Value per share plus the distributions on income shares minus the opening Net Asset Value per share as a % of the opening Net Asset Value per share. The basis of valuation of investments used to calculate Net Asset Value per share is described in notes to the Financial Statements 1h) and complies with requirements of the current Statement of Recommended Practice for UK Authorised Funds. This differs from the basis used to calculate daily published single prices, in which listed investments are valued at 12:00 mid prices.

Direct transaction costs include fees, commissions, transfer taxes and duties in the purchasing and selling of investments, which are offset (where applicable) against any dilution levies charged within the accounting year. The figures used within the table have been calculated against the average Net Asset Value for the accounting year.

# MI Chelverton UK Equity Income Fund

## Risk and Reward Profile

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



The Sub-fund is ranked at 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 Sub-fund:

- This Sub-fund's 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 Sub-fund may not be able to buy and sell these investments at the best time or at a fair price. This could affect the Sub-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.

### Risk warning

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

## Statement of Total Return

for the year ended 31 December 2023

	Note	£	31.12.23 £	£	31.12.22 £
Income					
Net capital losses	2		(9,913,193)		(79,950,002)
Revenue	3	19,872,089		21,861,651	
Expenses	4	(3,070,980)		(3,636,079)	
Net revenue before taxation		16,801,109		18,225,572	
Taxation	5	(220,004)		(178,201)	
Net revenue after taxation			16,581,105		18,047,371
<b>Total return before distributions</b>			<b>6,667,912</b>		<b>(61,902,631)</b>
Distributions	6		(19,389,420)		(21,543,493)
<b>Change in net assets attributable to Shareholders from investment activities</b>			<b>(12,721,508)</b>		<b>(83,446,124)</b>

## Statement of Change in Net Assets Attributable to Shareholders

for the year ended 31 December 2023

	£	31.12.23 £	£	31.12.22 £
<b>Opening net assets attributable to Shareholders</b>		<b>371,408,913</b>		<b>510,459,155</b>
Amounts receivable on issue of shares	46,233,740		61,372,596	
Less: Amounts payable on cancellation of shares	(99,991,339)		(123,198,332)	
		(53,757,599)		(61,825,736)
Change in net assets attributable to Shareholders from investment activities (see Statement of Total Return above)		(12,721,508)		(83,446,124)
Retained distributions on accumulation shares		4,911,178		6,221,611
Unclaimed distributions		34		7
<b>Closing net assets attributable to Shareholders</b>		<b>309,841,018</b>		<b>371,408,913</b>

The notes on pages 21 to 27 form an integral part of these Financial Statements.

# MI Chelverton UK Equity Income Fund

## Balance Sheet

as at 31 December 2023

	Note	£	31.12.23 £	£	31.12.22 £
<b>ASSETS</b>					
<b>Fixed Assets</b>					
Investments			300,866,352		340,680,144
<b>Current Assets</b>					
Debtors	7	1,521,764		11,249,149	
Cash and bank balances	9	10,662,728		23,046,501	
<b>Total current assets</b>			<b>12,184,492</b>		<b>34,295,650</b>
<b>Total assets</b>			<b>313,050,844</b>		<b>374,975,794</b>
<b>LIABILITIES</b>					
<b>Creditors</b>					
Distribution payable		(2,479,751)		(2,679,889)	
Other creditors	8	(730,075)		(886,992)	
<b>Total creditors</b>			<b>(3,209,826)</b>		<b>(3,566,881)</b>
<b>Total liabilities</b>			<b>(3,209,826)</b>		<b>(3,566,881)</b>
<b>Net assets attributable to Shareholders</b>			<b>309,841,018</b>		<b>371,408,913</b>

The notes on pages 21 to 27 form an integral part of these Financial Statements.

## Notes to the Financial Statements

for the year ended 31 December 2023

### 1. Accounting Policies

The Sub-fund's Financial Statements have been prepared on the same basis as the Accounting Policies stated on pages 7 and 8.

### 2. Net Capital Losses

	31.12.23	31.12.22
	£	£
Non-derivative securities	(9,906,582)	(79,940,799)
Currency losses	(1)	(1,753)
Transaction charges	(6,610)	(7,450)
<b>Net capital losses</b>	<b>(9,913,193)</b>	<b>(79,950,002)</b>

### 3. Revenue

	31.12.23	31.12.22
	£	£
UK dividends	17,092,044	19,724,615
Overseas dividends	1,466,693	1,437,186
Property Income Distributions	740,575	575,105
Bank interest	572,777	124,745
<b>Total revenue</b>	<b>19,872,089</b>	<b>21,861,651</b>

### 4. Expenses

	31.12.23	31.12.22
	£	£
Payable to the Authorised Corporate Director ('ACD'), associates of the ACD and agents of either of them:		
ACD's fee	192,844	208,372
Registration fees	247,046	265,890
	439,890	474,262
Payable to the Investment Manager, associates of the Investment Manager and agents of either of them:		
Investment Manager's fee	2,521,106	3,044,718
Payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary's fee (including VAT)	61,707	70,999
Safe custody and other bank charges	16,040	19,203
	77,747	90,202
Auditor's remuneration*:		
Audit fee	10,870	10,065
Tax compliance services	2,349	2,163
	13,219	12,228

# MI Chelverton UK Equity Income Fund

## Notes to the Financial Statements

continued

### 4. Expenses (continued)

	31.12.23	31.12.22
	£	£
Other expenses:		
Legal fees	7,746	3,102
Printing costs	11,272	11,567
	<u>19,018</u>	<u>14,669</u>
<b>Total</b>	<b>3,070,980</b>	<b>3,636,079</b>

\*Included within the auditor's remuneration is irrecoverable VAT of £2,203 (2022: £2,038).

### 5. Taxation

	31.12.23	31.12.22
	£	£
(a) Analysis of charge in the year:		
Income tax deducted at source	750	–
Overseas tax	220,004	178,201
Income tax recoverable	(750)	–
<b>Total tax charge (note 5b)</b>	<b>220,004</b>	<b>178,201</b>
(b) Factors affecting taxation charge for the year:		
Net revenue before taxation	16,801,109	18,225,572
Corporation tax at 20%	3,360,222	3,645,114
Effects of:		
UK dividends	(3,418,409)	(3,944,923)
Movement in surplus management expenses	351,526	587,246
Overseas tax expensed	220,004	178,201
Non-taxable overseas earnings	(293,339)	(287,437)
<b>Total tax charge (note 5a)</b>	<b>220,004</b>	<b>178,201</b>

#### (c) Deferred tax

At the year end there is a potential deferred tax asset of £7,772,778 (2022: £7,421,252) in relation to surplus management expenses of £38,863,890 (2022: £37,106,261). It is unlikely that the Sub-fund will generate sufficient taxable profits in the future to utilise these expenses and therefore no deferred tax asset has been recognised in the year.



## Notes to the Financial Statements

continued

### 6. Distributions

The distributions take account of revenue received on the issue of shares and revenue deducted on the cancellation of shares, and comprise:

		<b>31.12.23</b>	<b>31.12.22</b>
		<b>£</b>	<b>£</b>
First interim distribution	31.03.23	3,235,829	3,114,521
Second interim distribution	30.06.23	6,871,411	8,535,600
Third interim distribution	30.09.23	5,615,360	5,538,273
Final distribution	31.12.23	3,269,269	3,835,247
		18,991,869	21,023,641
Revenue deducted on cancellation of shares		715,528	956,314
Revenue received on issue of shares		(317,977)	(436,462)
<b>Distributions</b>		<b>19,389,420</b>	<b>21,543,493</b>

### Reconciliation of net revenue after taxation to net distributions:

Net revenue after taxation per Statement of Total Return		16,581,105	18,047,371
Expenses allocated to capital		3,070,980	3,636,079
Relief on expenses allocated to capital		(262,670)	(139,970)
Undistributed revenue brought forward		241	254
Undistributed revenue carried forward		(236)	(241)
<b>Distributions</b>		<b>19,389,420</b>	<b>21,543,493</b>

### 7. Debtors

		<b>31.12.23</b>	<b>31.12.22</b>
		<b>£</b>	<b>£</b>
Amounts receivable on issues		528,356	10,162,353
Accrued income:			
Dividends receivable		953,098	1,043,484
Bank interest receivable		38,704	42,481
UK income tax recoverable		750	-
Prepaid expenses:			
Legal fees		856	831
<b>Total debtors</b>		<b>1,521,764</b>	<b>11,249,149</b>

# MI Chelverton UK Equity Income Fund

## Notes to the Financial Statements

continued

<b>8. Other Creditors</b>	<b>31.12.23</b>	<b>31.12.22</b>
	<b>£</b>	<b>£</b>
Amounts payable on cancellations	500,709	628,185
Accrued expenses:		
Amounts payable to the Investment Manager, associates of the Investment Manager and agents of either of them:		
Investment Manager's fee	194,320	230,130
Amounts payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary's fee (including VAT)	14,282	10,481
Safe custody and other bank charges	3,546	2,822
	17,828	13,303
Auditor's remuneration*:		
Audit fee	10,870	10,065
Tax compliance services	2,348	2,163
	13,218	12,228
Other expenses:		
Printing costs	4,000	3,146
<b>Total other creditors</b>	<b>730,075</b>	<b>886,992</b>

\*Included within the auditor's remuneration is irrecoverable VAT of £2,203 (2022: £2,038).

<b>9. Cash and Bank Balances</b>	<b>31.12.23</b>	<b>31.12.22</b>
	<b>£</b>	<b>£</b>
Cash and bank balances	10,662,728	23,046,501
<b>Cash and bank balances</b>	<b>10,662,728</b>	<b>23,046,501</b>

### 10. Related Party Transactions

Apex Fundrock Limited ('AFL') is regarded as a related party by virtue of having the ability to act in respect of the operations of the Sub-fund in its capacity as the Authorised Corporate Director ('ACD').

ACD and other fees payable to AFL are disclosed in note 4 and amounts due at the year end are shown in note 8.

Fees payable to Chelverton Asset Management Limited ('the Investment Manager') are disclosed in note 4 and amounts due at the year end are shown in note 8.

Amounts receivable on issue and payable on cancellation of shares and dilution levy are disclosed in the Statement of Change in Net Assets Attributable to Shareholders and in note 6, amounts due at the year end are shown in notes 7 and 8.

At the year end the Sub-fund did not hold shares in any of the other Sub-funds within the MI Chelverton Equity Fund.

### 11. Contingent Liabilities and Outstanding Commitments

There were no contingent liabilities or outstanding commitments at the balance sheet date (2022: none).

## Notes to the Financial Statements

continued

### 12. Risk Management Policies and Disclosures

The main risks arising from financial instruments and the ACD's policies for managing these risks are disclosed on pages 9 and 10.

These policies have been consistent for both years through which these financial statements relate.

Numerical disclosures relating to the Sub-fund are as follows:

#### Market price risk

At the balance sheet date, if the price of the investments held by the Sub-fund increased or decreased by 10%, with all other variables held constant, the net assets attributable to Shareholders would increase or decrease by approximately £30,086,635 (2022: £34,068,014).

#### Currency risk

There is no material foreign currency exposure in the Sub-fund (2022: none).

# MI Chelverton UK Equity Income Fund

## Notes to the Financial Statements

continued

### 13. Portfolio Transaction Costs

#### 31.12.23

Analysis of purchases	Total purchase cost £	£	Commissions paid %	£	Taxes %	Purchases before transaction cost £
Equities	36,496,280	46,310	0.13	125,824	0.34	36,324,146
Corporate actions	(3,231,360)	–	0.00	–	0.00	(3,231,360)
<b>Total purchases after commissions and tax</b>	<b>33,264,920</b>					

Analysis of sales	Net sale proceeds £	£	Commissions paid %	£	Taxes %	Sales before transaction cost £
Equities	63,172,129	72,906	0.12	97	0.00	63,245,132
<b>Total sales after commissions and tax</b>	<b>63,172,129</b>					
Commission as a % of average net assets	0.04%					
Taxes as a % of average net assets	0.04%					

#### 31.12.22

Analysis of purchases	Total purchase cost £	£	Commissions paid %	£	Taxes %	Purchases before transaction cost £
Equities	41,561,877	51,444	0.12	156,533	0.38	41,353,900
Corporate actions	(802,500)	–	0.00	–	0.00	(802,500)
<b>Total purchases after commissions and tax</b>	<b>40,759,377</b>					

Analysis of sales	Net sale proceeds £	£	Commissions paid %	£	Taxes %	Sales before transaction cost £
Equities	111,070,351	113,542	0.10	165	0.00	111,184,058
<b>Total sales after commissions and tax</b>	<b>111,070,351</b>					
Commission as a % of average net assets	0.04%					
Taxes as a % of average net assets	0.04%					

Commissions and taxes as a % of the average net assets form part of the direct transaction costs stated within the comparative tables on pages 16 and 17. The direct transaction costs within the comparative tables may differ due to the effect of dilution levies charged (where applicable).

### 14. Portfolio Dealing Spread

The average portfolio dealing spread at 31 December 2023 is 0.96% (2022: 1.19%).

## Notes to the Financial Statements

continued

### 15. Post Balance Sheet Events

There were no notifiable events post the year end balance sheet date.

### 16. Fair Value Disclosure

Valuation technique	31.12.23		31.12.22	
	Assets £	Liabilities £	Assets £	Liabilities £
Level 1 <sup>^</sup>	300,440,277	-	340,680,144	-
Level 2 <sup>^^</sup>	-	-	-	-
Level 3 <sup>^^^</sup>	426,075*	-	-	-
	<b>300,866,352</b>	<b>-</b>	<b>340,680,144</b>	<b>-</b>

<sup>^</sup> Level 1: Unadjusted quoted price in an active market for an identical instrument.

<sup>^^</sup> Level 2: Valuation techniques using observable inputs other than quoted prices within Level 1.

<sup>^^^</sup> Level 3: Valuation techniques using unobservable inputs.

\*During the year under review an asset that was previously disclosed as level 1 at 31.12.22 has moved to a level 3 disclosure.

A reconciliation of fair value measurements in Level 3 is set out in the following table:

	31.12.23	31.12.22
Opening Balance	-	-
Movement in classification of investments	5,728,500	-
Purchases	-	-
Sales	-	-
Total gains or losses included in the net capital gains/(losses) in the Statement of Total Return:		
- on assets sold	-	-
- on assets held at year end	(5,302,425)	-
<b>Closing Balance</b>	<b>426,075</b>	<b>-</b>

### 17. Shares in Issue

	A Income	A Accumulation	B Income	B Accumulation
Opening number of shares	44,240	17,509	249,787,057	46,772,394
Shares issued	7,866	60	35,633,454	4,386,476
Shares cancelled	(13,303)	(1,108)	(51,221,215)	(20,600,641)
Shares converted	-	-	36,664	(15,385)
<b>Closing number of shares</b>	<b>38,803</b>	<b>16,461</b>	<b>234,235,960</b>	<b>30,542,844</b>

# MI Chelverton UK Equity Income Fund

## Distribution Tables

for the year ended 31 December 2023

### Income Share Distributions

Share class	Distribution	Shares	Net revenue p	Equalisation p	Distribution paid/payable 2023 p	Distribution paid 2022 p
A	First interim	Group 1	0.8323	–	0.8323	0.7050
		Group 2	0.4362	0.3961	0.8323	0.7050
	Second interim	Group 1	1.8405	–	1.8405	2.0610
		Group 2	1.0406	0.7999	1.8405	2.0610
	Third interim	Group 1	1.5479	–	1.5479	1.3848
		Group 2	0.6299	0.9180	1.5479	1.3848
	Final	Group 1	0.9362	–	0.9362	0.9564
		Group 2	0.2151	0.7211	0.9362	0.9564
B	First interim	Group 1	0.9360	–	0.9360	0.7868
		Group 2	0.5761	0.3599	0.9360	0.7868
	Second interim	Group 1	2.0722	–	2.0722	2.3036
		Group 2	0.6063	1.4659	2.0722	2.3036
	Third interim	Group 1	1.7468	–	1.7468	1.5514
		Group 2	1.0202	0.7266	1.7468	1.5514
	Final	Group 1	1.0585	–	1.0585	1.0727
		Group 2	0.5433	0.5152	1.0585	1.0727

### Accumulation Share Distributions

Share class	Distribution	Shares	Net revenue p	Equalisation p	Amount reinvested 2023 p	Amount reinvested 2022 p
A	First interim	Group 1	1.8119	–	1.8119	1.4516
		Group 2	0.9797	0.8322	1.8119	1.4516
	Second interim	Group 1	4.0421	–	4.0421	4.2728
		Group 2	2.1004	1.9417	4.0421	4.2728
	Third interim	Group 1	3.4718	–	3.4718	2.9347
		Group 2	1.9481	1.5237	3.4718	2.9347
	Final	Group 1	2.1392	–	2.1392	2.0597
		Group 2	0.9863	1.1529	2.1392	2.0597
B	First interim	Group 1	2.1742	–	2.1742	1.7300
		Group 2	1.4822	0.6920	2.1742	1.7300
	Second interim	Group 1	4.8621	–	4.8621	5.1010
		Group 2	2.4556	2.4065	4.8621	5.1010
	Third interim	Group 1	4.1860	–	4.1860	3.5117
		Group 2	1.7518	2.4342	4.1860	3.5117
	Final	Group 1	2.5838	–	2.5838	2.4694
		Group 2	1.2735	1.3103	2.5838	2.4694

### Further information

First interim period: 01.01.23 - 31.03.23

Second interim period: 01.04.23 - 30.06.23

Third interim period: 01.07.23 - 30.09.23

Final period: 01.10.23 - 31.12.23

## Distribution Tables

continued

Group 1: Shares purchased prior to a distribution period  
Group 2: Shares purchased during a distribution period

### Equalisation

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

# MI Chelverton UK Equity Growth Fund

## Investment Objective and Policy

The objective of the Sub-fund is to achieve long-term capital growth by investing primarily in a portfolio of fully listed and AIM traded UK small and medium sized market capitalised companies' equities.

The asset classes in which the Sub-fund is permitted to invest includes transferable securities, money market instruments, warrants, convertibles, cash and near cash and deposits as permitted for UCITS schemes under COLL and in accordance with the Sub-fund's investment powers as summarised in Appendix 2 of the Prospectus.

## Investment Manager's Report

for the year ended 31 December 2023

In the 12 months to 31 December 2023, the Sub-fund returned -3.86%, compared to 7.36% for the IA All Companies Sector as a whole. (Source: Morningstar, NAV to NAV, B Shares Acc, Total Return)

A second consecutive difficult year for the Sub-fund with headwinds caused by the ongoing high inflation, which started in 2022 and persisted for longer than was expected particularly in the UK, providing a difficult backdrop for small and mid-cap equities where the Sub-fund invests. Sharp rises in interest rates, which added to the attractions of holding cash and investing in government bonds for the first time in years, and the consequent slowing economic growth with its implications for companies' earnings reduced the appeal of equity investment. Specific events like the banking crisis in March, when Silicon Valley Bank, Credit Suisse and several mid-sized American banks got into trouble, and the outbreak of conflict in the Middle East, added to the volatility and risk-off mood in financial markets. It was only towards the year end that persistent declines in inflation led to a rally in small and mid-cap equities.

Reduced earnings expectations exacerbated by valuation de-ratings drove down the share prices of a broad range of the Sub-fund's holdings. The largest detractor to the Sub-fund's returns was Spirent Communications, the telecoms equipment testing business, which saw its mobile network operator clients dramatically reduce spend on their 5G networks, in the light of the economic slowdown. Two of the Sub-fund's more highly leveraged investments, Synthomer and Videndum, saw their share prices fall very sharply when it became evident that weaker trading conditions meant they would need to raise fresh equity. Elsewhere RWS, Future, Accesso Technology and Auction Technology share prices all fell back on weaker trading outlooks and subsequent valuation de-ratings. Most disappointing however was CAB Payments, a fast-growing foreign exchange business specialising in hard to access emerging markets currencies, which after its Initial Public Offering ('IPO') in April, when the Sub-fund invested in a relatively small initial holding, issued a profits warning within four months of coming to market, as changes in regulations for two of its key trading currencies caused a material downgrade in expectations. Other areas of weakness were video games businesses, notably Team17 and Devolver Digital, which suffered from reduced demand and a much more competitive market post the pandemic lockdowns, which had led to an upsurge in demand. Kistos, the North Sea gas producer, suffered on changes to the fiscal regimes in the UK and more significantly the Netherlands, penalising energy companies for the excess returns they were making as a result of the post Ukraine invasion energy crisis.

The main theme on the positive side for returns was takeover activity with several of the Sub-fund's holdings, namely Amryt Pharma, Sureserve, Blancco Technology, Sopheon and Ten Entertainment succumbing to agreed offers from Private Equity and trade buyers, taking advantage of the low valuations prevailing in the quoted market. Ascential and Globaldata also performed strongly on the back of corporate activity, with Ascential breaking itself up and selling two of its three divisions to separate private equity buyers, whilst Globaldata agreed to sell 40% of its healthcare business at a valuation that would have valued the entire division, which only represents 36% of the group's business, at 82% of Globaldata's market capitalisation at the time of the deal's announcement. Holdings reporting upgraded earnings expectations were few and far between given the economic backdrop, but those that did, such as Premier Foods, the branded food manufacturer, Bytes Technology, a Microsoft reseller, and Ashtead Technologies, which rents equipment to the offshore oil and gas and renewables market, performed strongly. Finally, some of the Sub-fund's value stocks, like Tyman and Genuit, both in the construction sector, rallied strongly from oversold levels.

During the year the managers sought to build up holdings in some of their preferred growth stocks at relatively depressed valuations. The Sub-fund bought back into several previous holdings at what the manager saw as attractive valuations after recent share price weakness, namely JTC, the fund administration business, Oxford Metrics, the motion measurement specialist, and Bytes Technology. The manager also built up holdings in underweight growth stocks such as dotDigital, Learning Technologies, Auction Technology and Clarkson. New holdings included AJ Bell, the fast-growing wholesale and retail investment platform, and the disappointing IPO of CAB Payments.



## Investment Manager's Report

continued

Liquidity was provided by exiting bid situations, most notably Amryt Pharma, Curtis Banks, Sureserve and Blancco Technology. The manager also took profits in less economically correlated stocks, which performed well given the worsening macroeconomic backdrop, to enable increased weighting in out of favour growth stocks, selling out of Avon Protection and reducing the Sub-fund's weighting in Chemring, both defence stocks, whilst taking profits in Premier Foods on the back of its strong performance. Finally, the manager scaled back the Sub-fund's industrial exposure, exiting positions in Trifast and Elementis and selling down TT Electronics amongst others, on the back of concerns over the outlook for industrial production in the light of the economic slowdown and the excess industrial inventory across the supply chain post the logistical problems caused by the pandemic.

Barring geopolitical tensions boiling over into a more economically disruptive conflict, with inflation on a downward trend, the outlook for equities, particularly the small and mid-cap segment of the market, should hopefully improve after two very difficult years. The manager has used this difficult phase in the market to build up the Sub-fund's exposure to many of the manager's favourite growth stocks, which have provided the bedrock for the Sub-fund's long-term performance, at relatively depressed valuations.

# MI Chelverton UK Equity Growth Fund

## Portfolio Statement

as at 31 December 2023

Holding	Security	Market value £	% of total net assets 2023
<b>TECHNOLOGY 21.62% (19.04%)</b>			
<b>Software and Computer Services 19.11% (16.01%)</b>			
9,250,000	Access Intelligence*	4,902,500	0.72
1,930,000	Accesso Technology*	10,615,000	1.55
450,000	Altitude*	135,000	0.02
4,250,000	Ascential	12,452,500	1.82
2,100,000	Auction Technology	10,962,000	1.60
1,025,000	Bango*	2,050,000	0.30
5,250,000	Big Technologies*	9,292,500	1.36
16,071,429	Blackbird*	883,929	0.13
1,075,000	Bytes Technology	6,573,625	0.96
165,000	Cerillion*	2,640,000	0.39
2,500,000	Celebrus Technologies*	5,375,000	0.79
5,495,000	Checkit*	1,208,900	0.18
7,500,000	dotDigital*	7,417,500	1.09
1,250,000	Eagle Eye Solutions*	6,000,000	0.88
16,710,938	Eckoh*	6,350,156	0.93
3,325,000	GB*	9,110,500	1.33
7,555,317	Learning Technologies*	6,119,807	0.89
3,500,000	Made Tech*	367,500	0.05
12,000,000	Mirriad Advertising*	264,000	0.04
4,500,000	Oxford Metrics*	4,770,000	0.70
5,800,000	Redcentric*	7,366,000	1.08
516,500	Silver Bullet Data*	568,150	0.08
750,000	Sopheon*	7,050,000	1.03
6,500,000	Team Internet*	8,112,000	1.19
		<hr/>	
		130,586,567	19.11
		<hr/>	
<b>Technology Hardware and Equipment 2.51% (3.03%)</b>			
4,750,000	Alphawave	6,118,000	0.90
3,685,000	Nexteq*	3,611,300	0.52
80,000,000	Seeing Machines*	4,304,000	0.63
2,000,000	TT Electronics	3,124,000	0.46
		<hr/>	
		17,157,300	2.51
		<hr/>	
<b>TELECOMMUNICATIONS 4.13% (3.90%)</b>			
<b>Telecommunications Equipment 1.35% (2.27%)</b>			
1,500,000	Aferian*	150,000	0.02
7,398,636	Spirent Communications	9,122,518	1.33
		<hr/>	
		9,272,518	1.35
		<hr/>	
<b>Telecommunications Service Providers 2.78% (1.63%)</b>			
1,500,000	Gamma Communications*	16,860,000	2.47
1,184,091	Zegona Communications	2,131,364	0.31
		<hr/>	
		18,991,364	2.78
		<hr/>	

## Portfolio Statement

continued

Holding	Security	Market value £	% of total net assets 2023
<b>HEALTH CARE 5.63% (6.78%)</b>			
<b>Health Care Providers 1.27% (0.81%)</b>			
440,000	Craneware*	7,568,000	1.11
4,510,000	Induction Healthcare*	902,000	0.13
782,232	Renalytix AI*	117,335	0.02
2,819,230	Trellus Health*	84,577	0.01
		<b>8,671,912</b>	<b>1.27</b>
<b>Medical Equipment and Services 2.00% (2.08%)</b>			
3,650,000	Advanced Medical Solutions*	7,573,750	1.11
6,250,000	Creo Medical*	2,812,500	0.41
5,431,818	GENinCode*	271,591	0.04
3,500,000	GENinCode Placing	175,000	0.03
8,500,000	Polarean Imaging*	510,000	0.07
7,030,442	Venture Life*	2,320,046	0.34
		<b>13,662,887</b>	<b>2.00</b>
<b>Pharmaceuticals and Biotechnology 2.36% (3.89%)</b>			
1,200,000	Amryt Pharma Revenue**	-	-
7,500,000	Angle*	862,500	0.13
1,425,000	Arecor Therapeutics*	2,565,000	0.38
3,187,595	Chiesi Farma 1**	-	-
3,187,595	Chiesi Farma 2**	-	-
3,850,000	Eco Animal Health*	4,119,500	0.60
12,500,000	Evgen Pharma*	187,500	0.03
5,550,000	Futura Medical*	1,387,500	0.20
22,500,000	Immupharma*	356,625	0.05
2,727,273	Immupharma Warrants 23.12.31^	-	-
1,020,000	MaxCyte*	3,519,000	0.52
2,425,000	Oncimmune*	591,700	0.09
9,203,977	Ondine Biomedical*	782,338	0.11
6,300,000	Oxford Biodynamics*	1,732,500	0.25
		<b>16,104,163</b>	<b>2.36</b>
<b>FINANCIALS 14.99% (15.40%)</b>			
<b>Finance and Credit Services 0.95% (0.88%)</b>			
5,125,000	Lendinvest*	1,332,500	0.20
675,000	Mortgage Advice Bureau*	5,157,000	0.75
		<b>6,489,500</b>	<b>0.95</b>
<b>Investment Banking and Brokerage Services 11.66% (11.85%)</b>			
1,625,000	Aj Bell	5,086,250	0.74
675,000	Alpha Group International*	11,475,000	1.68
566,500	Aquis Exchange*	2,039,400	0.30
562,500	Brooks Macdonald*	10,125,000	1.48
2,250,000	CAB Payments	1,858,500	0.27
8,500,000	Duke Royalty*	2,805,000	0.41
2,500,000	Foresight	10,775,000	1.58
825,000	JTC	6,682,500	0.98
350,000	Liontrust Asset Management	2,205,000	0.32
2,000,000	Man	4,650,000	0.68
1,600,000	Mattioli Woods*	9,760,000	1.43

# MI Chelverton UK Equity Growth Fund

## Portfolio Statement

continued

Holding	Security	Market value £	% of total net assets 2023
<b>Investment Banking and Brokerage Services (continued)</b>			
18,750,000	Mercia Asset Management*	5,512,500	0.81
802,500	Tatton Asset Management*	4,269,300	0.62
1,250,000	TP ICAP	2,432,500	0.36
		79,675,950	11.66
<b>Open End and Miscellaneous Investment Vehicles 0.70% (0.45%)</b>			
6,000,000	AdvancedAdvT***	4,800,000	0.70
<b>Nonlife Insurance 1.68% (2.22%)</b>			
2,450,000	Conduit	11,478,250	1.68
<b>REAL ESTATE 0.78% (1.21%)</b>			
<b>Real Estate Investment and Services Development 0.78% (1.21%)</b>			
11,199,000	Inland Homes***	-	-
2,081,000	LSL Property Services	5,348,170	0.78
<b>CONSUMER DISCRETIONARY 14.53% (13.10%)</b>			
<b>Automobiles and Parts 0.18% (0.39%)</b>			
11,525,000	Surface Transforms*	1,238,937	0.18
<b>Leisure Goods 0.55% (1.84%)</b>			
5,000,000	Devolver Digital*	900,000	0.13
1,605,000	Team17*	2,889,000	0.42
		3,789,000	0.55
<b>Personal Goods 0.26% (0.12%)</b>			
300,000	Inspects*	249,000	0.04
4,750,000	Revolution Beauty*	1,510,500	0.22
		1,759,500	0.26
<b>Media 9.09% (7.04%)</b>			
1,750,000	Dianomi*	752,500	0.11
5,250,000	Ebiquity*	1,680,000	0.25
1,150,000	Future	9,148,250	1.34
9,000,000	Globaldata*	17,550,000	2.57
7,000,000	LBG Media*	5,628,000	0.82
1,200,000	Next Fifteen Communications*	9,900,000	1.45
7,500,000	Pebble*	4,425,000	0.65
2,136,275	Tremor International*	4,336,638	0.62
1,750,000	Wilmington	5,810,000	0.85
250,000	Youngov*	2,925,000	0.43
		62,155,388	9.09
<b>Retailers 2.95% (2.84%)</b>			
5,000,000	CMO*	1,400,000	0.20
5,500,000	DFS Furniture	6,699,000	0.98
2,712,500	Itsarm***	-	-
7,400,000	Topps Tiles	3,700,000	0.54
5,900,000	Wickes	8,383,900	1.23
		20,182,900	2.95

## Portfolio Statement

continued

Holding	Security	Market value £	% of total net assets 2023
	<b>Travel and Leisure 1.50% (0.87%)</b>		
4,361,764	Safestay*	959,588	0.14
2,250,000	Ten Entertainment	9,270,000	1.36
		<hr/>	<hr/>
		10,229,588	1.50
	<b>CONSUMER STAPLES 2.59% (2.87%)</b>		
	<b>Food Producers 2.59% (2.87%)</b>		
604,379	MP Evans*	4,472,405	0.66
9,750,000	Premier Foods	13,221,000	1.93
		<hr/>	<hr/>
		17,693,405	2.59
	<b>INDUSTRIALS 27.87% (26.10%)</b>		
	<b>Construction and Materials 11.25% (9.65%)</b>		
814,262	Balfour Beatty	2,696,836	0.39
1,300,000	Breedon	4,699,500	0.69
4,250,000	Eurocell	5,355,000	0.78
2,100,000	Genuit	8,473,500	1.24
235,214	Marshalls	657,188	0.10
13,750,000	Severfield	8,745,000	1.28
44,340,000	SigmaRoc*	23,677,560	3.46
6,753,636	Stelrad	8,509,581	1.25
4,500,000	Tyman	14,062,500	2.06
		<hr/>	<hr/>
		76,876,665	11.25
	<b>Aerospace and Defense 0.32% (0.92%)</b>		
625,000	Chemring	2,190,625	0.32
	<b>Electronic and Electrical Equipment 0.72% (0.91%)</b>		
1,750,000	Morgan Advanced Materials	4,952,500	0.72
	<b>General Industrials 0.51% (0.00%)</b>		
4,500,000	Coats	3,483,000	0.51
	<b>Industrial Engineering 3.14% (3.29%)</b>		
2,250,000	Somero Enterprises*	8,325,000	1.22
1,850,000	Vesuvius	8,902,200	1.30
1,213,259	Videndum	4,222,141	0.62
		<hr/>	<hr/>
		21,449,341	3.14
	<b>Industrial Support Services 9.57% (9.98%)</b>		
2,550,000	Alpha Financial Markets*	9,945,000	1.46
6,500,000	Equals*	7,865,000	1.15
737,753	Essentra	1,237,949	0.18
550,000	FDM	2,521,750	0.37
1,493,857	Inchcape	10,688,547	1.56
500,000	Marlowe*	2,150,000	0.31
4,500,000	Public Policy*	5,085,000	0.75
3,900,000	Restore*	8,502,000	1.24
4,416,937	RWS*	11,077,678	1.62
1,287,090	Sthree	5,380,036	0.79
244,792	Water Intelligence*	979,168	0.14
		<hr/>	<hr/>
		65,432,128	9.57

# MI Chelverton UK Equity Growth Fund

## Portfolio Statement

continued

Holding	Security	Market value £	% of total net assets 2023
	<b>Industrial Transportation 2.36% (1.35%)</b>		
275,000	Clarkson	8,690,000	1.27
1,200,000	VP	7,440,000	1.09
		<b>16,130,000</b>	<b>2.36</b>
	<b>BASIC MATERIALS 1.09% (2.83%)</b>		
	<b>Industrial Metals and Mining 1.08% (0.69%)</b>		
1,500,000	Adriatic Metals	3,150,000	0.46
407,995	Bodycote	2,425,530	0.36
90,000,000	Savannah Resources*	1,800,000	0.26
		<b>7,375,530</b>	<b>1.08</b>
	<b>Precious Metals and Mining 0.00% (0.69%)</b>		
	<b>Chemicals 0.01% (1.45%)</b>		
23,936	Synthomer	45,383	0.01
	<b>ENERGY 2.51% (3.89%)</b>		
	<b>Oil, Gas and Coal 1.56% (3.25%)</b>		
1,175,000	Ashtead Technologies*	7,144,000	1.05
246,053	Diversified Energy	2,743,491	0.40
160,000	Kistos*	260,800	0.04
461,576,116	Reabold Resources*	484,655	0.07
		<b>10,632,946</b>	<b>1.56</b>
	<b>Alternative Energy 0.95% (0.64%)</b>		
10,075,000	AFC Energy*	1,994,850	0.29
6,250,000	Inspired*	4,500,000	0.66
		<b>6,494,850</b>	<b>0.95</b>
	<b>Investment assets</b>	<b>654,350,267</b>	<b>95.74</b>
	<b>Net other assets</b>	<b>29,148,777</b>	<b>4.26</b>
	<b>Net assets</b>	<b>683,499,044</b>	<b>100.00</b>

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 31.12.22.

^Intrinsically zero priced

\*Quoted on AIM.

\*\*Contingent Value Rights from corporate event.

\*\*\*These are suspended securities and have been valued at the Managers best assessment of their fair value.

## Comparative Tables

### Change in net assets per share

<b>A Accumulation</b>	<b>31.12.23</b> <b>p</b>	<b>31.12.22</b> <b>p</b>	<b>31.12.21</b> <b>p</b>
<b>Opening net asset value per share</b>	225.11	290.33	226.88
Return before operating charges <sup>^</sup>	-7.10	-61.42	67.82
Operating charges	-3.47	-3.80	-4.37
Return after operating charges <sup>^</sup>	-10.57	-65.22	63.45
Distributions	-2.02	-0.89	0.00
Retained distributions on accumulation shares	2.02	0.89	0.00
<b>Closing net asset value per share</b>	<b>214.54</b>	<b>225.11</b>	<b>290.33</b>
<sup>^</sup> After direct transaction costs of	-0.24	-0.26	-0.50
<b>Performance</b>			
Return after charges	-4.70%	-22.46%	27.97%
<b>Other information</b>			
Closing net asset value	£1,389,977	£2,067,114	£5,545,898
Closing number of shares	647,882	918,258	1,910,207
Operating charges	1.61%	1.59%	1.58%
Ongoing operating charges*	1.62%	1.61%	1.58%
Direct transaction costs	0.11%	0.11%	0.18%
<b>Prices</b>			
Highest share price	238.06	295.72	306.62
Lowest share price	189.68	207.70	230.79

<b>B Income</b>	<b>31.12.23</b> <b>p</b>	<b>31.12.22</b> <b>p</b>	<b>31.12.21</b> <b>p</b>
<b>Opening net asset value per share</b>	288.51	373.77	291.55
Return before operating charges <sup>^</sup>	-9.03	-79.13	87.14
Operating charges	-2.39	-2.59	-2.96
Return after operating charges <sup>^</sup>	-11.42	-81.72	84.18
Distributions	-4.73	-3.54	-1.96
<b>Closing net asset value per share</b>	<b>272.36</b>	<b>288.51</b>	<b>373.77</b>
<sup>^</sup> After direct transaction costs of	-0.31	-0.34	-0.64
<b>Performance</b>			
Return after charges	-3.96%	-21.86%	28.87%
<b>Other information</b>			
Closing net asset value	£116,162,397	£151,478,156	£227,186,076
Closing number of shares	42,650,976	52,503,158	60,781,712
Operating charges	0.86%	0.84%	0.83%
Ongoing operating charges*	0.87%	0.86%	0.83%
Direct transaction costs	0.11%	0.11%	0.18%
<b>Prices</b>			
Highest share price	305.40	380.72	395.79
Lowest share price	244.64	269.00	296.57

# MI Chelverton UK Equity Growth Fund

## Comparative Tables

continued

### Change in net assets per share

<b>B Accumulation</b>	<b>31.12.23</b> <b>p</b>	<b>31.12.22</b> <b>p</b>	<b>31.12.21</b> <b>p</b>
<b>Opening net asset value per share</b>	310.37	397.26	308.25
Return before operating charges <sup>^</sup>	-9.78	-84.14	92.14
Operating charges	-2.57	-2.75	-3.13
Return after operating charges <sup>^</sup>	-12.35	-86.89	89.01
Distributions	-5.08	-3.75	-2.07
Retained distributions on accumulation shares	5.08	3.75	2.07
<b>Closing net asset value per share</b>	<b>298.02</b>	<b>310.37</b>	<b>397.26</b>
<sup>^</sup> After direct transaction costs of	-0.33	-0.36	-0.68
<b>Performance</b>			
Return after charges	-3.98%	-21.87%	28.88%
<b>Other information</b>			
Closing net asset value	£565,946,670	£850,234,476	£1,513,199,496
Closing number of shares	189,899,565	273,938,669	380,905,313
Operating charges	0.86%	0.84%	0.83%
Ongoing operating charges*	0.87%	0.86%	0.83%
Direct transaction costs	0.11%	0.11%	0.18%
<b>Prices</b>			
Highest share price	328.44	404.62	418.47
Lowest share price	263.13	285.88	313.57

\*The Net Asset Value of the Sub-fund has decreased by more than 10% if compared to the average Net Asset Values for the year. Taking an average of the daily Net Asset Values for the last month of the year has the effect of increasing the operating charges by 0.01%. The ACD believes this to be more representative of the charges going forward.

Operating charges include indirect costs incurred in the maintenance and running of the Sub-fund, as disclosed (but not limited to) the detailed expenses within the Statement of Total Return. The figures used within this table have been calculated against the average Net Asset Value for the accounting year.

The return after charges is calculated as the closing Net Asset Value per share plus the distributions on income shares minus the opening Net Asset Value per share as a % of the opening Net Asset Value per share. The basis of valuation of investments used to calculate Net Asset Value per share is described in notes to the Financial Statements 1h) and complies with requirements of the current Statement of Recommended Practice for UK Authorised Funds. This differs from the basis used to calculate daily published single prices, in which listed investments are valued at 12:00 mid prices.

Direct transaction costs include fees, commissions, transfer taxes and duties in the purchasing and selling of investments, which are offset (where applicable) against any dilution levies charged within the accounting year. The figures used within the table have been calculated against the average Net Asset Value for the accounting year.



## 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 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 Sub-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 Sub-fund may not be able to buy and sell these investments at the best time or at a fair price. This could affect the Sub-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.

### 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 Chelverton UK Equity Growth Fund

## Statement of Total Return

for the year ended 31 December 2023

	Note	£	31.12.23 £	31.12.22 £
Income				
Net capital losses	2		(58,349,454)	(380,448,219)
Revenue	3	21,887,203		25,616,970
Expenses	4	(7,251,866)		(10,843,504)
Interest payable and similar charges	4	(3)		–
Net revenue before taxation		14,635,334		14,773,466
Taxation	5	(423,232)		(369,800)
Net revenue after taxation			14,212,102	14,403,666
<b>Total return before distributions</b>			<b>(44,137,352)</b>	<b>(366,044,553)</b>
Distributions	6		(14,212,212)	(14,403,595)
<b>Change in net assets attributable to Shareholders from investment activities</b>			<b>(58,349,564)</b>	<b>(380,448,148)</b>

## Statement of Change in Net Assets Attributable to Shareholders

for the year ended 31 December 2023

	£	31.12.23 £	31.12.22 £
<b>Opening net assets attributable to Shareholders</b>		<b>1,003,779,746</b>	<b>1,745,931,470</b>
Amounts receivable on issue of shares	141,719,889		378,635,709
Less: Amounts payable on cancellation of shares	(413,315,591)		(750,608,883)
		(271,595,702)	(371,973,174)
Change in net assets attributable to Shareholders from investment activities (see Statement of Total Return above)		(58,349,564)	(380,448,148)
Retained distributions on accumulation shares		9,664,564	10,269,598
<b>Closing net assets attributable to Shareholders</b>		<b>683,499,044</b>	<b>1,003,779,746</b>

The notes on pages 42 to 47 form an integral part of these Financial Statements.

## Balance Sheet

as at 31 December 2023

	Note	£	31.12.23	£	31.12.22	£
<b>ASSETS</b>						
<b>Fixed Assets</b>						
Investments			654,350,267		954,779,567	
<b>Current Assets</b>						
Debtors	7	1,472,285		3,336,425		
Cash and bank balances	9	31,622,890		52,478,456		
<b>Total current assets</b>			<b>33,095,175</b>		<b>55,814,881</b>	
<b>Total assets</b>			<b>687,445,442</b>		<b>1,010,594,448</b>	
<b>LIABILITIES</b>						
<b>Creditors</b>						
Distribution payable		(2,015,813)		(1,857,247)		
Other creditors	8	(1,930,585)		(4,957,455)		
<b>Total creditors</b>			<b>(3,946,398)</b>		<b>(6,814,702)</b>	
<b>Total liabilities</b>			<b>(3,946,398)</b>		<b>(6,814,702)</b>	
<b>Net assets attributable to Shareholders</b>			<b>683,499,044</b>		<b>1,003,779,746</b>	

The notes on pages 42 to 47 form an integral part of these Financial Statements.

# MI Chelverton UK Equity Growth Fund

## Notes to the Financial Statements

for the year ended 31 December 2023

### 1. Accounting Policies

The Sub-fund's Financial Statements have been prepared on the same basis as the Accounting Policies stated on pages 7 and 8.

### 2. Net Capital Losses

	31.12.23	31.12.22
	£	£
Non-derivative securities	(58,371,353)	(380,431,453)
Currency gains	35,012	20,581
Transaction charges	(13,113)	(37,347)
<b>Net capital losses</b>	<b>(58,349,454)</b>	<b>(380,448,219)</b>

### 3. Revenue

	31.12.23	31.12.22
	£	£
UK dividends	18,562,979	22,993,147
Overseas dividends	2,011,542	2,264,905
Bank interest	1,312,682	358,918
<b>Total revenue</b>	<b>21,887,203</b>	<b>25,616,970</b>

### 4. Expenses

	31.12.23	31.12.22
	£	£
Payable to the Authorised Corporate Director ('ACD'), associates of the ACD and agents of either of them:		
ACD's fee	295,995	387,287
Registration fees	445,339	553,208
	741,334	940,495
Payable to the Investment Manager, associates of the Investment Manager and agents of either of them:		
Investment Manager's fee	6,319,693	9,641,144
Payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary's fee (including VAT)	123,508	178,372
Safe custody and other bank charges	39,343	60,349
	162,851	238,721
Auditor's remuneration*:		
Audit fee	10,870	10,065
Tax compliance services	2,347	2,163
	13,217	12,228

## Notes to the Financial Statements

continued

### 4. Expenses (continued)

	31.12.23	31.12.22
	£	£
Other expenses:		
Legal fees	7,082	2,459
Printing costs	7,689	8,457
	14,771	10,916
<b>Total expenses</b>	<b>7,251,866</b>	<b>10,843,504</b>

\*Included within the auditor's remuneration is irrecoverable VAT of £2,203 (2022: £2,038).

### 5. Taxation

	31.12.23	31.12.22
	£	£
(a) Analysis of charge in the year:		
Overseas tax	423,232	369,800
<b>Total tax charge (note 5b)</b>	<b>423,232</b>	<b>369,800</b>

(b) Factors affecting taxation charge for the year:

Net revenue before taxation	14,635,334	14,773,466
Corporation tax at 20%	2,927,067	2,954,693
Effects of:		
UK dividends	(3,712,596)	(4,598,629)
Movement in surplus management expenses	1,187,838	2,096,917
Overseas tax expensed	423,232	369,800
Non-taxable overseas earnings	(402,309)	(452,981)
<b>Total tax charge (note 5a)</b>	<b>423,232</b>	<b>369,800</b>

(c) Deferred tax

At the year end there is a potential deferred tax asset of £8,250,594 (2022: £7,062,756) in relation to surplus management expenses of £41,252,968 (2022: £35,313,782). It is unlikely that the Sub-fund will generate sufficient taxable profits in the future to utilise these expenses and therefore no deferred tax asset has been recognised in the year.

# MI Chelverton UK Equity Growth Fund

## Notes to the Financial Statements

continued

### 6. Distributions

The distributions take account of revenue received on the issue of shares and revenue deducted on the cancellation of shares, and comprise:

		<b>31.12.23</b>	<b>31.12.22</b>
		<b>£</b>	<b>£</b>
Final distribution	31.12.23	11,680,377	12,126,845
Revenue deducted on cancellation of shares		3,577,192	3,576,166
Revenue received on issue of shares		(1,045,357)	(1,299,416)
<b>Distributions</b>		<b>14,212,212</b>	<b>14,403,595</b>

### Reconciliation of net revenue after taxation to net distributions:

Net revenue after taxation per Statement of Total Return		14,212,102	14,403,666
Undistributed revenue brought forward		244	173
Undistributed revenue carried forward		(134)	(244)
<b>Distributions</b>		<b>14,212,212</b>	<b>14,403,595</b>

### 7. Debtors

		<b>31.12.23</b>	<b>31.12.22</b>
		<b>£</b>	<b>£</b>
Amounts receivable on issues		525,134	1,158,501
Sales awaiting settlement		–	1,205,263
Accrued income:			
Dividends receivable		816,875	859,553
Deposit interest receivable		129,634	112,485
Prepaid expenses:			
Legal fees		642	623
<b>Total debtors</b>		<b>1,472,285</b>	<b>3,336,425</b>

### 8. Other Creditors

		<b>31.12.23</b>	<b>31.12.22</b>
		<b>£</b>	<b>£</b>
Amounts payable on cancellations		1,278,040	4,110,831
Purchases awaiting settlement		175,000	155,453
Accrued expenses:			
Amounts payable to the Investment Manager, associates of the Investment Manager and agents of either of them:			
Investment Manager's fee		427,941	643,856
Amounts payable to the Depositary, associates of the Depositary and agents of either of them:			
Depositary's fee (including VAT)		25,779	23,514
Safe custody and other bank charges		7,808	8,538
		<b>33,587</b>	<b>32,052</b>

## Notes to the Financial Statements

continued

<b>8. Other Creditors (continued)</b>	<b>31.12.23</b>	<b>31.12.22</b>
	<b>£</b>	<b>£</b>
Auditor's remuneration*:		
Audit fee	10,870	10,065
Tax compliance services	2,347	2,163
	<hr/> 13,217	<hr/> 12,228
Other expenses:		
Printing costs	2,800	3,035
	<hr/>	<hr/>
<b>Total other creditors</b>	<b>1,930,585</b>	<b>4,957,455</b>

\*Included within the auditor's remuneration is irrecoverable VAT of £2,203 (2023: £2,038).

<b>9. Cash and Bank Balances</b>	<b>31.12.23</b>	<b>31.12.22</b>
	<b>£</b>	<b>£</b>
Cash and bank balances	31,622,890	52,478,456
<b>Cash and bank balances</b>	<b>31,622,890</b>	<b>52,478,456</b>

### 10. Related Party Transactions

Apex Fundrock Limited ('AFL') is regarded as a related party by virtue of having the ability to act in respect of the operations of the Sub-fund in its capacity as the Authorised Corporate Director ('ACD').

ACD and other fees payable to AFL are disclosed in note 4 and amounts due at the year end are shown in note 8.

Fees payable to Chelverton Asset Management Limited ('the Investment Manager') are disclosed in note 4 and amounts due at the year end are shown in note 8.

Amounts receivable on issue and payable on cancellation of shares and dilution levy are disclosed in the Statement of Change in Net Assets Attributable to Shareholders and in note 6, amounts due at the year end are shown in notes 7 and 8.

At the year end the Sub-fund did not hold shares in any of the other Sub-funds within the MI Chelverton Equity Fund.

### 11. Contingent Liabilities and Outstanding Commitments

There were no contingent liabilities or outstanding commitments at the balance sheet date (2022: none).

### 12. Risk Management Policies and Disclosures

The main risks arising from financial instruments and the ACD's policies for managing these risks are disclosed on pages 9 and 10.

These policies have been consistent for both years through which these financial statements relate.

Numerical disclosures relating to the Sub-fund are as follows:

#### Market price risk

At the balance sheet date, if the price of the investments held by the Sub-fund increased or decreased by 10%, with all other variables held constant, the net assets attributable to Shareholders would increase or decrease by approximately £65,435,027 (2022: £95,477,957).

#### Currency risk

There is no material foreign currency exposure in the Sub-fund (2022: none).

# MI Chelverton UK Equity Growth Fund

## Notes to the Financial Statements

continued

### 13. Portfolio Transaction Costs

#### 31.12.23

Analysis of purchases	Total purchase cost £	£	Commissions paid %	£	Taxes %	Purchases before transaction cost £
Equities	157,140,749	187,334	0.12	261,826	0.17	156,691,589
Corporate actions	(19,366,405)	–	0.00	–	0.00	(19,366,405)
<b>Total purchases after commissions and tax</b>	<b>137,774,344</b>					

Analysis of sales	Net sale proceeds £	£	Commissions paid %	£	Taxes %	Sales before transaction cost £
Equities	379,832,291	510,111	0.13	1,082	0.00	380,343,484
<b>Total sales after commissions and tax</b>	<b>379,832,291</b>					
Commission as a % of average net assets	0.08%					
Taxes as a % of average net assets	0.03%					

#### 31.12.22

Analysis of purchases	Total purchase cost £	£	Commissions paid %	£	Taxes %	Purchases before transaction cost £
Equities	243,323,171	299,408	0.12	407,048	0.17	242,616,715
Corporate actions	(650,100)	–	0.00	–	0.00	(650,100)
<b>Total purchases after commissions and tax</b>	<b>242,673,071</b>					

Analysis of sales	Net sale proceeds £	£	Commissions paid %	£	Taxes %	Sales before transaction cost £
Equities	581,285,693	680,199	0.12	929	0.00	581,966,821
<b>Total sales after commissions and tax</b>	<b>581,285,693</b>					
Commission as a % of average net assets	0.08%					
Taxes as a % of average net assets	0.03%					

Commissions and taxes as a % of the average net assets form part of the direct transaction costs stated within the comparative tables on pages 37 and 38. The direct transaction costs within the comparative tables may differ due to the effect of dilution levies charged (where applicable).

### 14. Portfolio Dealing Spread

The average portfolio dealing spread at 31 December 2023 is 2.06% (2022: 2.25%).



## Notes to the Financial Statements

continued

### 15. Post Balance Sheet Events

There were no notifiable events post the year end balance sheet date.

### 16. Fair Value Disclosure

Valuation technique	31.12.23		31.12.22	
	Assets £	Liabilities £	Assets £	Liabilities £
Level 1 <sup>^</sup>	649,550,267	–	954,779,567	–
Level 2 <sup>^^</sup>	–	–	–	–
Level 3 <sup>^^^</sup>	4,800,000*	–	–	–
	<b>654,350,267</b>	<b>–</b>	<b>954,779,567</b>	<b>–</b>

<sup>^</sup> Level 1: Unadjusted quoted price in an active market for an identical instrument.

<sup>^^</sup> Level 2: Valuation techniques using observable inputs other than quoted prices within Level 1.

<sup>^^^</sup> Level 3: Valuation techniques using unobservable inputs.

\*During the year under review an asset that was previously disclosed as level 1 at 31.12.22 has moved to a level 3 disclosure.

A reconciliation of fair value measurements in Level 3 is set out in the following table:

	31.12.23	31.12.22
Opening Balance	–	–
Movement in classification of investments	4,500,000	–
Purchases	–	–
Sales	–	–
Total gains or losses included in the net capital gains/(losses) in the Statement of Total Return:		
- on assets sold	–	–
- on assets held at year end	300,000	–
<b>Closing Balance</b>	<b>4,800,000</b>	<b>–</b>

### 17. Shares in Issue

	A Accumulation	B Income	B Accumulation
Opening number of shares	918,258	52,503,158	273,938,669
Shares issued	175,464	4,486,893	43,487,821
Shares cancelled	(445,840)	(14,567,986)	(127,314,084)
Shares converted	–	228,911	(212,841)
<b>Closing number of shares</b>	<b>647,882</b>	<b>42,650,976</b>	<b>189,899,565</b>

# MI Chelverton UK Equity Growth Fund

## Distribution Tables

for the year ended 31 December 2023

### Income Share Distribution

Share class	Distribution	Shares	Net revenue p	Equalisation p	Distribution paid/payable 2023 p	Distribution paid 2022 p
B	Final	Group 1	4.7263	–	4.7263	3.5374
		Group 2	2.6112	2.1151	4.7263	3.5374

### Accumulation Share Distributions

Share class	Distribution	Shares	Net revenue p	Equalisation p	Amount reinvested 2023 p	Amount reinvested 2022 p
A	Final	Group 1	2.0233	–	2.0233	0.8853
		Group 2	0.7289	1.2944	2.0233	0.8853
B	Final	Group 1	5.0824	–	5.0824	3.7459
		Group 2	2.6853	2.3971	5.0824	3.7459

### Further information

Final period: 01.01.23 - 31.12.23

Group 1: Shares purchased prior to a distribution period

Group 2: Shares purchased during a distribution period

### Equalisation

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

## Investment Objective and Policy

The objective of the Sub-fund is to achieve long-term capital growth.

The Sub-fund will invest primarily in a portfolio of fully listed companies that trade on Continental European stock exchanges.

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

The asset classes in which the Sub-fund may invest includes transferable securities, money market instruments, warrants, convertibles, cash and near cash and deposits as permitted for UCITS schemes under COLL and in accordance with the Sub-fund's investment powers as summarised in Appendix 2 of the Prospectus.

## Investment Manager's Report

for the year ended 31 December 2023

### Summary

The trajectory of interest rates was again a dominant theme in 2023. In this environment, European smaller companies struggled for most of the year until latterly staging a healthy rally in Q4 when the narrative shifted to a peak and potential decline in rates. Although the Sub-fund posted a positive return, our calendar year performance was disappointing, lagging all appropriate benchmarks. The main detractor was portfolio exposure to the energy transition.

There are however solid reasons for optimism supported by strong portfolio fundamentals as well as historical patterns in smaller company performance.

In the 12 months to 31 December 2023 the Sub-fund returned +5.4% compared to a peer median return of +14.4% and index performance of +15.8%. Our dominant portfolio exposure is to smaller companies and as a segment smaller companies lagged the broader index by nearly 5%. However measured, our performance fell some way short.

(Source: Lipper NAV to NAV, B Shares Acc, Total Return)

For calendar year context our absolute and excess returns in the last 5 calendar years are as follows:

	2019	2020	2021	2022	2023
CESF absolute return	+30.1%	+11.5%	+26.6%	-7.1%	+5.5%
Excess return v MSCI Europe X UK	+10.1%	+4.1%	+9.8%	+0.6%	-9.4%
Excess return v MSCI Europe X UK Small Cap	+8.9%	-6.5%	+9.7%	+9.0%	-4.8%

Source: Chelverton, Morningstar

So as 2023 was, arguably the year was not out of line with the variability seen in historical patterns.

### Speed Bump in the Energy Transition

We believe one common factor explains most of our underperformance versus the smaller cap benchmarks. During 2022 we built up an exposure to companies that would benefit from the energy transition. We ended 2022 with 22% portfolio exposure to companies where this was the dominant driver of growth.

The key parts of this case were: technologies had become proven; governments were supportive of the targets; and long-term visible growth was available on low valuations. It has been described as the greatest reinvention of the global economy since the industrial revolution. However, this structural change in the supply and consumption of energy was never going to be straightforward and 2023 proved a very difficult year for the energy transition. Headwinds from the economic cycle including adjustments to new levels of financing costs pushed back or stalled many relevant targets.

For us, this manifested in OX2 (renewable energy project developer), EuroGroup Laminations and Zaptec (electric vehicle sales stalled) as well as AMG Advanced Metallurgical and Imerys (lithium price falls) all being amongst our worst performers. Collectively this exposure cost us over 5%.

Whilst our timing in building up this area has been awry; our view is that our initial case is still intact. Segments we are exposed to such as renewable energy or electric vehicle sales could double or even triple over the coming five to ten years and we expect our holdings here to have materially higher earnings and cash flows in five years' time. This is the time horizon where market imperfections are most obvious and investment opportunities the greatest. We certainly feel that this projected growth is not priced into current valuations.

# MI Chelverton European Select Fund

## Investment Manager's Report

continued

As we reflect on the lessons from this experience to date there may be a small reshuffle of the types of company we are exposed to (asset light versus capital intensive for example) but despite the sharp underperformance in aggregate, we promoted many of the companies and ended the year with a slightly higher exposure to this theme than we started the year with, namely 23% at 31 December 2023 compared to the 22% a year earlier.

### Recognising Mistakes

Outside of the energy transition, Huddly has been a costly mistake for the Sub-fund. Despite having a healthy free cash flow yield and net cash balance sheet when we bought it, we failed to recognise that prolonged market weakness (meeting room cameras) and supply chain difficulties could drive negative cash flow and ultimately force a deeply discounted rights issue. We are highly unlikely to recoup all the lost performance on this stock, however with a repaired balance sheet correcting the risk reward profile, we participated in this funding. Of the lessons here perhaps the most significant one is around position sizing. A single product niche company like this should not be allowed to cost us like this one has.

### Low levels of portfolio turnover

In general, our response to the underperformance has been to back the detractors. Of the bottom 20 performers, we still hold 18 and have actively been promoting quite a number of them. In 2023 we completed our departure from the banks sector, and we also lost 5 holdings to M&A. Despite having a healthy number of new ideas, the vast majority of the proceeds have been reinvested in the underperformers. As a result, the number of holdings fell during the course of 2023 from 65 to 57. We estimate underlying portfolio turnover to be approximately 10-15%\*\* for the year and also of note is that concentration of the Sub-fund in the top 20 holdings has gone from 42% to 50%.

### Digitalisation M&A a strong feature again

Three of the top ten contributors in the year were from bids. At the start of the year Ordina, a Dutch IT service company received a bid from larger French peer Sopra Steria. In Q4, two of our software holdings, EQS and Pagero received bids at 50% and 70% premiums to prevailing market prices. In the aftermath of the 2022 tech derating, we had been building up our software exposure, so some early validation of this strategy was noteworthy. The level of the bid premiums is also an interesting comment on valuation levels. Seven of the top ten contributors came from companies with digitalisation as a long-term driver and this continues to be an area of focus for us.

### History is on our side

One of the clear features explaining our performance divergence is our market capitalisation focus. Our average market cap is c.£850m. The average market cap in our peer group universe is c.£34bn. In our Morningstar peer group, we are one of only 2 out of 109 funds with a market cap average below £2bn\*. In part this explains why we can have a year like we have just had.

It is hence worth reminding ourselves one of the key reasons why we focus on companies at the smaller end of the market capitalisation spectrum. Market inefficiencies and the small cap effect are well documented. Since the inception of the MSCI Europe Ex UK Small Cap Index on 1/1/2001, smaller companies have outperformed the main index by 477%\*. In this 24-year time period there have only been 3 periods where small companies have underperformed by more than 10%. We are currently in one of these 3 periods. So, we are in, and are arguably emerging from, the worst period of relative performance in over 20 years. Whether we have emerged from it is of course subject to debate.

If we have reached a point of interest rate stability there are good reasons to be optimistic about where we might be in this historical pattern.

### Outlook

Whilst there are always specific lessons to be learned from a bad year, we believe our basic disciplines around cash-flow, balance sheet and valuations are as valid as ever. The fundamental outlook for our portfolio is strong: self-funded double-digit organic growth from a modest starting valuation base. This, when coupled with the current stage in the cycle and the long-term tailwind from smaller companies leads us to an expectation that we can deliver strong future returns.

\*Morningstar as at 31 December 2023

\*\*Chelverton Asset Management, internal estimates

## Portfolio Statement

as at 31 December 2023

Holding	Security	Market value £	% of total net assets 2023
<b>TECHNOLOGY 33.38% (32.50%)</b>			
<b>Software and Computer Services 26.43% (29.62%)</b>			
1,240,000	4C	1,607,208	0.92
25,000	All For One	1,020,364	0.58
1,873,548	Avensia	1,360,474	0.77
740,000	Bouvet	3,492,460	1.99
174,550	CAG	1,376,524	0.78
476,842	CTAC	1,355,322	0.77
1,100,000	Cyberoo	2,840,555	1.62
29,233	Digital Value	1,545,245	0.88
200,000	Fabasoft	3,292,894	1.88
74,000	Infotel	3,385,789	1.93
838,430	Innofactor	886,382	0.50
800,000	Neosperience	1,251,300	0.71
2,935,660	Pagero	8,205,994	4.67
310,329	Serviceware	3,038,750	1.73
249,060	Silli Solutions	2,054,637	1.17
1,295,568	SmartCraft	2,238,966	1.28
78,317	Sword	2,687,481	1.53
117,000	TXT e-solutions	2,007,452	1.14
118,389	Visiativ	2,769,933	1.58
		46,417,730	26.43
<b>Technology Hardware and Equipment 6.95% (2.88%)</b>			
9,400	ASM International	3,828,016	2.18
37,500	BE Semiconductor Industries	4,432,409	2.52
1,176,000	EuroGroup Laminations	3,956,007	2.25
		12,216,432	6.95
<b>TELECOMMUNICATIONS 1.26% (2.81%)</b>			
<b>Telecommunications Equipment 1.26% (2.81%)</b>			
15,446,005	Huddly	643,992	0.37
60,000	Traffic Systems	1,564,991	0.89
		2,208,983	1.26
<b>HEALTH CARE 5.30% (4.31%)</b>			
<b>Pharmaceuticals and Biotechnology 5.30% (4.31%)</b>			
9,191	Limes Schlosskliniken	2,245,981	1.28
33,000	Novartis	2,614,054	1.49
18,800	Roche	4,291,400	2.44
6,200	Sandoz	156,607	0.09
		9,308,042	5.30
<b>FINANCIALS 1.24% (5.77%)</b>			
<b>Banks 0.00% (4.80%)</b>			
<b>Investment Banking and Brokerage Services 1.24% (0.97%)</b>			
130,000	JDC	2,174,177	1.24

# MI Chelverton European Select Fund

## Portfolio Statement

continued

Holding	Security	Market value £	% of total net assets 2023
	<b>CONSUMER DISCRETIONARY 9.15% (9.84%)</b>		
	<b>Automobiles and Parts 2.18% (1.20%)</b>		
25,000	D'ieteren	3,825,823	2.18
	<b>Consumer Services 0.00% (1.24%)</b>		
	<b>Household Goods and Home Construction 2.18% (1.79%)</b>		
147,000	Kaufman & Broad	3,834,229	2.18
	<b>Leisure Goods 1.81% (1.83%)</b>		
2,150,000	Enad Global 7	3,172,800	1.81
	<b>Personal Goods 2.17% (0.96%)</b>		
11,000	Kering	3,803,293	2.17
	<b>Media 0.81% (2.82%)</b>		
180,611	Alkemy	1,422,664	0.81
	<b>CONSUMER STAPLES 0.00% (0.96%)</b>		
	<b>Personal Care, Drug and Grocery Stores 0.00% (0.96%)</b>		
	<b>INDUSTRIALS 29.42% (29.37%)</b>		
	<b>Construction and Materials 8.02% (7.82%)</b>		
100,000	Arcadis	4,232,236	2.41
75,000	Assystem	3,210,572	1.83
37,000	Deme	3,565,338	2.03
117,000	Signify	3,069,983	1.75
		14,078,129	8.02
	<b>Electronic and Electrical Equipment 1.07% (0.00%)</b>		
55,000	TKH	1,881,629	1.07
	<b>Aerospace and Defense 2.12% (1.79%)</b>		
15,000	Rheinmetall	3,730,503	2.12
	<b>General Industrials 3.63% (3.95%)</b>		
246,000	Recticel	2,259,619	1.29
28,000	Siemens	4,114,593	2.34
		6,374,212	3.63
	<b>Industrial Engineering 6.06% (7.98%)</b>		
140,000	AMG Advanced Metallurgical	2,766,031	1.58
164,000	ErreDue	1,279,029	0.73
307,000	Tecnicas Reunidas	2,221,360	1.27
193,000	Valmet	4,353,371	2.48
		10,619,791	6.06
	<b>Industrial Support Services 7.23% (6.54%)</b>		
50,000	Amadeus Fire	5,329,289	3.04
434,000	Brunel International	4,197,088	2.39
330,000	Rejlers	3,156,403	1.80
		12,682,780	7.23
	<b>Industrial Transportation 1.29% (1.29%)</b>		
96,000	Frequentis	2,271,057	1.29

## Portfolio Statement

continued

Holding	Security	Market value £	% of total net assets 2023
	<b>BASIC MATERIALS 5.98% (3.94%)</b>		
	<b>Industrial Metals and Mining 2.56% (2.18%)</b>		
370,000	Vallourec	4,495,147	2.56
	<b>Precious Metals and Mining 3.42% (1.76%)</b>		
131,000	Boliden	3,214,319	1.83
113,000	Imerys	2,788,769	1.59
		6,003,088	3.42
	<b>ENERGY 10.76% (8.99%)</b>		
	<b>Oil, Gas and Coal 5.12% (7.18%)</b>		
57,000	Schoeller-Bleckmann Oilfield Equipment	2,183,189	1.24
422,000	TGS-NOPEC Geophysical	4,320,138	2.46
1,000,000	Var Energi	2,486,864	1.42
		8,990,191	5.12
	<b>Alternative Energy 5.64% (1.81%)</b>		
87,000	La Française de l'Energie	3,852,426	2.19
1,411,978	OX2	6,047,098	3.45
		9,899,524	5.64
	<b>Investment assets</b>	<b>169,410,224</b>	<b>96.49</b>
	<b>Net other assets</b>	<b>6,163,529</b>	<b>3.51</b>
	<b>Net assets</b>	<b>175,573,753</b>	<b>100.00</b>

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 31.12.22.

# MI Chelverton European Select Fund

## Comparative Tables

### Change in net assets per share

A Income	31.12.23 p	31.12.22 p	31.12.21 p
<b>Opening net asset value per share</b>	149.38	165.18	131.57
Return before operating charges <sup>^</sup>	9.74	-11.99	36.86
Operating charges	-0.78	-0.74	-0.69
Return after operating charges <sup>^</sup>	8.96	-12.73	36.17
Distributions	-2.94	-3.07	-2.56
<b>Closing net asset value per share</b>	<b>155.40</b>	<b>149.38</b>	<b>165.18</b>
<sup>^</sup> After direct transaction costs of	-0.21	-0.09	-0.37
<b>Performance</b>			
Return after charges	6.00%	-7.71%	27.49%
<b>Other information</b>			
Closing net asset value	£12,472,440	£7,190,245	£6,958,495
Closing number of shares	8,026,051	4,813,527	4,212,750
Operating charges	0.51%	0.51%	0.45%
Ongoing operating charges	0.51%	0.51%	0.33%
Direct transaction costs	0.14%	0.06%	0.24%
<b>Prices</b>			
Highest share price	166.70	166.69	169.61
Lowest share price	131.13	127.85	133.65

A Accumulation	31.12.23 p	31.12.22 p	31.12.21 p
<b>Opening net asset value per share</b>	111.47	120.00	100.00 <sup>†</sup>
Return before operating charges <sup>^</sup>	7.28	-7.98	20.51
Operating charges	-0.58	-0.55	-0.51
Return after operating charges <sup>^</sup>	6.70	-8.53	20.00
Distributions	-2.19	-2.48	-1.74
Retained distributions on accumulation shares	2.19	2.48	1.74
<b>Closing net asset value per share</b>	<b>118.17</b>	<b>111.47</b>	<b>120.00</b>
<sup>^</sup> After direct transaction costs of	-0.16	-0.06	-0.27
<b>Performance</b>			
Return after charges	6.01%	-7.11%	20.00%
<b>Other information</b>			
Closing net asset value	£75,414,451	£70,025,569	£53,401,383
Closing number of shares	63,817,470	62,818,726	44,501,532
Operating charges	0.51%	0.51%	0.45%
Ongoing operating charges	0.51%	0.51%	0.33%
Direct transaction costs	0.14%	0.06%	0.24%
<b>Prices</b>			
Highest share price	124.40	121.08	123.04
Lowest share price	99.60	95.27	99.66

<sup>†</sup>A Accumulation shares launched 12 March 2021. Launch price 100.00p.



## Comparative Tables

continued

### Change in net assets per share

<b>B Income</b>	<b>31.12.23</b> <b>p</b>	<b>31.12.22</b> <b>p</b>	<b>31.12.21</b> <b>p</b>
<b>Opening net asset value per share</b>	129.46	142.85	114.04
Return before operating charges <sup>^</sup>	8.42	-9.73	31.73
Operating charges	-1.26	-1.21	-1.23
Return after operating charges <sup>^</sup>	7.16	-10.94	30.50
Distributions	-2.07	-2.45	-1.69
<b>Closing net asset value per share</b>	<b>134.55</b>	<b>129.46</b>	<b>142.85</b>
<sup>^</sup> After direct transaction costs of	-0.18	-0.08	-0.32
<b>Performance</b>			
Return after charges	5.53%	-7.66%	26.75%
<b>Other information</b>			
Closing net asset value	£20,111,045	£16,734,020	£13,579,650
Closing number of shares	14,947,103	12,926,302	9,506,529
Operating charges	0.96%	0.96%	0.92%
Ongoing operating charges	0.96%	0.96%	0.78%
Direct transaction costs	0.14%	0.06%	0.24%
<b>Prices</b>			
Highest share price	144.36	144.22	146.55
Lowest share price	113.50	110.82	115.79

<b>B Accumulation</b>	<b>31.12.23</b> <b>p</b>	<b>31.12.22</b> <b>p</b>	<b>31.12.21</b> <b>p</b>
<b>Opening net asset value per share</b>	143.00	154.59	121.70
Return before operating charges <sup>^</sup>	9.43	-10.27	34.21
Operating charges	-1.41	-1.32	-1.32
Return after operating charges <sup>^</sup>	8.02	-11.59	32.89
Distributions	-2.31	-2.55	-1.81
Retained distributions on accumulation shares	2.31	2.55	1.81
<b>Closing net asset value per share</b>	<b>151.02</b>	<b>143.00</b>	<b>154.59</b>
<sup>^</sup> After direct transaction costs of	-0.21	-0.08	-0.34
<b>Performance</b>			
Return after charges	5.61%	-7.49%	27.03%
<b>Other information</b>			
Closing net asset value	£59,001,604	£60,507,951	£111,440,627
Closing number of shares	39,068,068	42,312,201	73,382,114
Operating charges	0.96%	0.96%	0.92%
Ongoing operating charges	0.96%	0.96%	0.78%
Direct transaction costs	0.14%	0.06%	0.24%
<b>Prices</b>			
Highest share price	159.58	155.98	158.60
Lowest share price	127.40	122.32	123.57

# MI Chelverton European Select Fund

## Comparative Tables

continued

C Accumulation	31.12.23 p
<b>Opening net asset value per share</b>	100.00 <sup>†</sup>
Return before operating charges <sup>^</sup>	6.73
Operating charges	-0.84
Return after operating charges <sup>^</sup>	5.89
Distributions	0.00
Retained distributions on accumulation shares	0.00
<b>Closing net asset value per share</b>	<b>105.89</b>
<sup>^</sup> After direct transaction costs of	-0.14
<b>Performance</b>	
Return after charges	5.89%
<b>Other information</b>	
Closing net asset value	£8,574,213
Closing number of shares	8,097,090
Operating charges	0.86%
Ongoing operating charges	0.86%
Direct transaction costs	0.14%
<b>Prices</b>	
Highest share price	106.64
Lowest share price	89.31

<sup>†</sup>C Accumulation shares launched 24 August 2023. Launch price 100.00p.

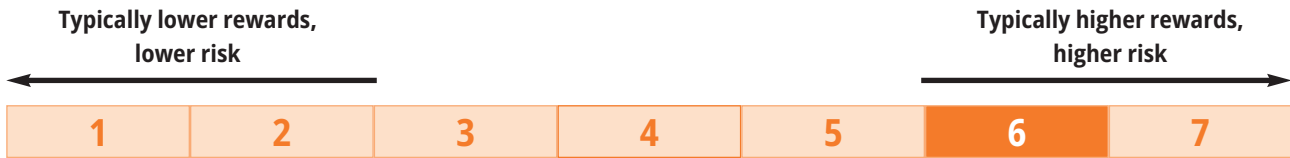
Operating charges include indirect costs incurred in the maintenance and running of the Sub-fund, as disclosed (but not limited to) the detailed expenses within the Statement of Total Return. The figures used within this table have been calculated against the average Net Asset Value for the accounting year.

The return after charges is calculated as the closing Net Asset Value per share plus the distributions on income shares minus the opening Net Asset Value per share as a % of the opening Net Asset Value per share. The basis of valuation of investments used to calculate Net Asset Value per share is described in notes to the Financial Statements 1h) and complies with requirements of the current Statement of Recommended Practice for UK Authorised Funds. This differs from the basis used to calculate daily published single prices, in which listed investments are valued at 12:00 mid prices.

Direct transaction costs include fees, commissions, transfer taxes and duties in the purchasing and selling of investments, which are offset (where applicable) against any dilution levies charged within the accounting year. The figures used within the table have been calculated against the average Net Asset Value for the accounting year.

## 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.



This Sub-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 Sub-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.

### 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 Chelverton European Select Fund

## Statement of Total Return

for the year ended 31 December 2023

	Note	£	31.12.23 £	£	31.12.22 £
Income					
Net capital gains/(losses)	2		3,946,548		(17,761,811)
Revenue	3	4,509,158		4,928,416	
Expenses	4	(1,296,173)		(1,298,682)	
Interest payable and similar charges	4	(20)		-	
Net revenue before taxation		3,212,965		3,629,734	
Taxation	5	(360,326)		(388,018)	
Net revenue after taxation			2,852,639		3,241,716
<b>Total return before distributions</b>			<b>6,799,187</b>		<b>(14,520,095)</b>
Distributions	6		(2,852,629)		(3,241,689)
<b>Change in net assets attributable to Shareholders from investment activities</b>			<b>3,946,558</b>		<b>(17,761,784)</b>

## Statement of Change in Net Assets Attributable to Shareholders

for the year ended 31 December 2023

	£	31.12.23 £	£	31.12.22 £
<b>Opening net assets attributable to Shareholders</b>		<b>154,457,785</b>		<b>187,380,156</b>
Amounts receivable on issue of shares	64,525,322		49,169,254	
Less: Amounts payable on cancellation of shares	(49,926,269)		(67,536,940)	
Dilution levy	57,089		191,621	
		14,656,142		(18,176,065)
Change in net assets attributable to Shareholders from investment activities (see Statement of Total Return above)		3,946,558		(17,761,784)
Retained distributions on accumulation shares		2,513,268		3,015,478
<b>Closing net assets attributable to Shareholders</b>		<b>175,573,753</b>		<b>154,457,785</b>

The notes on pages 60 to 66 form an integral part of these Financial Statements.

## Balance Sheet

as at 31 December 2023

	Note	£	31.12.23	£	31.12.22	£
<b>ASSETS</b>						
<b>Fixed Assets</b>						
Investments			<b>169,410,224</b>		<b>152,124,707</b>	
<b>Current Assets</b>						
Debtors	7	913,585		13,352,785		
Cash and bank balances	9	6,441,812		3,201,488		
<b>Total current assets</b>			<b>7,355,397</b>		<b>16,554,273</b>	
<b>Total assets</b>			<b>176,765,621</b>		<b>168,678,980</b>	
<b>LIABILITIES</b>						
<b>Creditors</b>						
Bank overdrafts	9	(656,249)		(247,177)		
Distribution payable		(15,049)		(12,461)		
Other creditors	8	(520,570)		(13,961,557)		
<b>Total creditors</b>			<b>(1,191,868)</b>		<b>(14,221,195)</b>	
<b>Total liabilities</b>			<b>(1,191,868)</b>		<b>(14,221,195)</b>	
<b>Net assets attributable to Shareholders</b>			<b>175,573,753</b>		<b>154,457,785</b>	

The notes on pages 60 to 66 form an integral part of these Financial Statements.

# MI Chelverton European Select Fund

## Notes to the Financial Statements

for the year ended 31 December 2023

### 1. Accounting Policies

The Sub-fund's Financial Statements have been prepared on the same basis as the Accounting Policies stated on pages 7 and 8.

### 2. Net Capital Gains/(Losses)

	31.12.23	31.12.22
	£	£
Non-derivative securities	4,129,050	(17,593,468)
Currency losses	(165,273)	(137,049)
Transaction charges	(17,229)	(31,294)
<b>Net capital gains/(losses)</b>	<b>3,946,548</b>	<b>(17,761,811)</b>

### 3. Revenue

	31.12.23	31.12.22
	£	£
Overseas dividends	4,365,634	4,917,292
Bank interest	143,524	11,124
<b>Total revenue</b>	<b>4,509,158</b>	<b>4,928,416</b>

### 4. Expenses

	31.12.23	31.12.22
	£	£
Payable to the Authorised Corporate Director ('ACD'), associates of the ACD and agents of either of them:		
ACD's fee	147,698	146,160
Registration fees	122,390	86,968
	<u>270,088</u>	<u>233,128</u>
Payable to the Investment Manager, associates of the Investment Manager and agents of either of them:		
Investment Manager's fee	938,166	982,595
Payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary's fee (including VAT)	36,322	36,348
Safe custody and other bank charges	27,137	28,541
	<u>63,459</u>	<u>64,889</u>
Auditor's remuneration*:		
Audit fee	10,870	10,065
Tax compliance services	2,348	2,163
	<u>13,218</u>	<u>12,228</u>

## Notes to the Financial Statements

continued

### 4. Expenses (continued)

	31.12.23	31.12.22
	£	£
Other expenses:		
Legal fees	8,178	2,935
Printing costs	3,064	2,907
	<u>11,242</u>	<u>5,842</u>
<b>Expenses</b>	<b>1,296,173</b>	<b>1,298,682</b>
Interest payable and similar charges	20	–
<b>Total</b>	<b>1,296,193</b>	<b>1,298,682</b>

\*Included within the auditor's remuneration is irrecoverable VAT of £2,203 (2022 £2,038).

### 5. Taxation

	31.12.23	31.12.22
	£	£
(a) Analysis of charge in the year:		
Overseas tax	360,326	388,018
<b>Total tax charge (note 5b)</b>	<b>360,326</b>	<b>388,018</b>
(b) Factors affecting taxation charge for the year:		
Net revenue before taxation	3,212,965	3,629,734
Corporation tax at 20%	642,593	725,947
Effects of:		
Movement in surplus management expenses	230,534	257,511
Overseas tax expensed	360,326	388,018
Non-taxable overseas earnings	(873,127)	(983,458)
<b>Total tax charge (note 5a)</b>	<b>360,326</b>	<b>388,018</b>

#### (c) Deferred tax

At the year end there is a potential deferred tax asset of £618,890 (2022: £388,356) in relation to surplus management expenses of £3,094,451 (2022: £1,941,782). It is unlikely that the Sub-fund will generate sufficient taxable profits in the future to utilise these expenses and therefore no deferred tax asset has been recognised in the year.

# MI Chelverton European Select Fund

## Notes to the Financial Statements

continued

### 6. Distributions

The distributions take account of revenue received on the issue of shares and revenue deducted on the cancellation of shares, and comprise:

		<b>31.12.23</b>	<b>31.12.22</b>
		<b>£</b>	<b>£</b>
Interim distribution	30.06.23	2,983,577	3,277,101
Final distribution	31.12.23	19,402	110,728
		<b>3,002,979</b>	<b>3,387,829</b>
Revenue deducted on cancellation of shares		65,111	78,954
Revenue received on issue of shares		(215,461)	(225,094)
<b>Distributions</b>		<b>2,852,629</b>	<b>3,241,689</b>

### Reconciliation of net revenue after taxation to net distributions:

Net revenue after taxation per Statement of Total Return		2,852,639	3,241,716
Undistributed revenue brought forward		51	24
Undistributed revenue carried forward		(61)	(51)
<b>Distributions</b>		<b>2,852,629</b>	<b>3,241,689</b>

### 7. Debtors

		<b>31.12.23</b>	<b>31.12.22</b>
		<b>£</b>	<b>£</b>
Amounts receivable on issues		154,272	164,462
Sales awaiting settlement		–	12,767,004
Accrued income:			
Bank interest receivable		13,506	–
Overseas tax recoverable		744,522	420,488
Prepaid expenses:			
Legal fees		1,285	831
<b>Total debtors</b>		<b>913,585</b>	<b>13,352,785</b>



## Notes to the Financial Statements

continued

<b>8. Other Creditors</b>	<b>31.12.23</b>	<b>31.12.22</b>
	<b>£</b>	<b>£</b>
Amounts payable on cancellations	40,463	13,812,607
Currency deals outstanding	262	49,563
Purchases awaiting settlement	377,071	–
Accrued expenses:		
Amounts payable to the Investment Manager, associates of the Investment Manager and agents of either of them:		
Investment Manager's fee	73,807	76,098
Amounts payable to the Depository, associates of the Depository and agents of either of them:		
Depository's fee (including VAT)	8,655	5,749
Safe custody and other bank charges	5,925	4,259
	14,580	10,008
Auditor's remuneration*:		
Audit fee	10,870	10,065
Tax compliance services	2,348	2,163
	13,218	12,228
Other expenses:		
Printing costs	1,169	1,053
<b>Total other creditors</b>	<b>520,570</b>	<b>13,961,557</b>

\*Included within the auditor's remuneration is irrecoverable VAT of £2,203 (2022 £2,038).

<b>9. Cash and Bank Balances</b>	<b>31.12.23</b>	<b>31.12.22</b>
	<b>£</b>	<b>£</b>
Cash and bank balances	6,441,812	3,201,488
Overdraft positions	(656,249)	(247,177)
<b>Cash and bank balances</b>	<b>5,785,563</b>	<b>2,954,311</b>

## 10. Related Party Transactions

Apex Fundrock Limited ('AFL') is regarded as a related party by virtue of having the ability to act in respect of the operations of the Sub-fund in its capacity as the Authorised Corporate Director ('ACD').

ACD and other fees payable to AFL are disclosed in note 4 and amounts due at the year end are shown in note 8.

Fees payable to Chelverton Asset Management Limited ('the Investment Manager') are disclosed in note 4 and amounts due at the year end are shown in note 8.

Amounts receivable on issue and payable on cancellation of shares and dilution levy are disclosed in the Statement of Change in Net Assets Attributable to Shareholders and in note 6, amounts due at the year end are shown in notes 7 and 8.

At the year end the Sub-fund did not hold shares in any of the other Sub-funds within the MI Chelverton Equity Fund.

# MI Chelverton European Select Fund

## Notes to the Financial Statements

continued

### 11. Contingent Liabilities and Outstanding Commitments

There were no contingent liabilities or outstanding commitments at the balance sheet date (2022: none).

### 12. Risk Management Policies and Disclosures

The main risks arising from financial instruments and the ACD's policies for managing these risks are disclosed on pages 8 and 9.

These policies have been consistent for both years through which these financial statements relate.

Numerical disclosures relating to the Sub-fund are as follows:

#### Market price risk

At the balance sheet date, if the price of the investments held by the Sub-fund increased or decreased by 10%, with all other variables held constant, the net assets attributable to Shareholders would increase or decrease by approximately £16,941,022 (2022: £15,212,471).

#### Currency risk

Although the Sub-fund's capital and income are denominated in sterling, a proportion of the Sub-fund's investments may have currency exposure and, as a result, the income and capital value of the Sub-fund are affected by currency movements.

The table below details the currency risk profile at the balance sheet date.

Currency	31.12.23 £	31.12.22 £
Danish krone	1,450	1,487
Euro	121,678,864	102,094,518
Norwegian krone	13,182,420	13,443,033
Pound sterling	5,350,865	15,725,198
Swedish krona	28,184,876	19,276,095
Swiss franc	7,175,278	3,917,454
	<b>175,573,753</b>	<b>154,457,785</b>

At the balance sheet date, if the value of sterling increased or decreased by 10%, with all other variables held constant, then the net assets attributable to Shareholders would increase or decrease by approximately £17,022,289 (2022: £13,873,259).

## Notes to the Financial Statements

continued

## 13. Portfolio Transaction Costs

## 31.12.23

Analysis of purchases	Total purchase cost £	Commissions paid		£	Taxes %	Purchases before transaction cost £
		£	%			
Equities	84,699,032	66,312	0.08	30,684	0.04	84,602,036
Corporate actions	(5,088,416)	–	0.00	–	0.00	(5,088,416)
<b>Total purchases after commissions and tax</b>	<b>79,610,616</b>					

Analysis of sales	Net sale proceeds £	Commissions paid		£	Taxes %	Sales before transaction cost £
		£	%			
Equities	66,427,306	51,533	0.08	2	0.00	66,478,841
<b>Total sales after commissions and tax</b>	<b>66,427,306</b>					
Commission as a % of average net assets	0.07%					
Taxes as a % of average net assets	0.02%					

## 31.12.22

Analysis of purchases	Total purchase cost £	Commissions paid		£	Taxes %	Purchases before transaction cost £
		£	%			
Equities	118,596,803	62,712	0.05	16,258	0.01	118,517,833
Corporate actions	(219,079)	–	0.00	–	0.00	(219,079)
<b>Total purchases after commissions and tax</b>	<b>118,377,724</b>					

Analysis of sales	Net sale proceeds £	Commissions paid		£	Taxes %	Sales before transaction cost £
		£	%			
Equities	132,175,906	68,932	0.05	7	0.00	132,244,845
<b>Total sales after commissions and tax</b>	<b>132,175,906</b>					
Commission as a % of average net assets	0.08%					
Taxes as a % of average net assets	0.01%					

Commissions and taxes as a % of the average net assets form part of the direct transaction costs stated within the comparative tables on pages 54 to 56. The direct transaction costs within the comparative tables may differ due to the effect of dilution levies charged (where applicable).

## 14. Portfolio Dealing Spread

The average portfolio dealing spread at 31 December 2023 is 0.52% (2022: 0.76%).

# MI Chelverton European Select Fund

## Notes to the Financial Statements

continued

### 15. Post Balance Sheet Events

There were no notifiable events post the year end balance sheet date.

### 16. Fair Value Disclosure

Valuation technique	31.12.23		31.12.22	
	Assets £	Liabilities £	Assets £	Liabilities £
Level 1 <sup>^</sup>	169,410,224	–	152,124,707	–
Level 2 <sup>^^</sup>	–	–	–	–
Level 3 <sup>^^^</sup>	–	–	–	–
	<b>169,410,224</b>	<b>–</b>	<b>152,124,707</b>	<b>–</b>

<sup>^</sup> Level 1: Unadjusted quoted price in an active market for an identical instrument.

<sup>^^</sup> Level 2: Valuation techniques using observable inputs other than quoted prices within Level 1.

<sup>^^^</sup> Level 3: Valuation techniques using unobservable inputs.

### 17. Shares in Issue

	A		B		C
	Income	Accumulation	Income	Accumulation	Accumulation
Opening number of shares	4,813,527	62,818,726	12,926,302	42,312,201	–
Shares issued	3,617,441	20,452,602	3,449,218	20,474,917	–
Shares cancelled	(380,360)	(19,464,118)	(1,470,431)	(18,023,718)	–
Shares converted	(24,557)	10,260	42,014	(5,695,332)	8,097,090
<b>Closing number of shares</b>	<b>8,026,051</b>	<b>63,817,470</b>	<b>14,947,103</b>	<b>39,068,068</b>	<b>8,097,090</b>

## Distribution Tables

for the year ended 31 December 2023

### Income Share Distributions

Share class	Distribution	Shares	Net revenue p	Equalisation p	Distribution paid/payable 2023 p	Distribution paid 2022 p
A	Interim	Group 1	2.7511	–	2.7511	3.0693
		Group 2	2.0128	0.7383	2.7511	3.0693
	Final	Group 1	0.1875	–	0.1875	–
		Group 2	0.0049	0.1826	0.1875	–
B	Interim	Group 1	2.0694	–	2.0694	2.3534
		Group 2	1.6502	0.4192	2.0694	2.3534
	Final	Group 1	–	–	–	0.0964
		Group 2	–	–	–	0.0964

### Accumulation Share Distributions

Share class	Distribution	Shares	Net revenue p	Equalisation p	Amount reinvested 2023 p	Amount reinvested 2022 p
A	Interim	Group 1	2.0486	–	2.0486	2.2201
		Group 2	1.6245	0.4241	2.0486	2.2201
	Final	Group 1	0.1415	–	0.1415	0.2579
		Group 2	0.0122	0.1293	0.1415	0.2579
B	Interim	Group 1	2.3131	–	2.3131	2.5458
		Group 2	1.5059	0.8072	2.3131	2.5458
	Final	Group 1	–	–	–	–
		Group 2	–	–	–	–
C*	Final	Group 1	–	–	–	N/A
		Group 2	–	–	–	N/A

\*C Accumulation shares launched 24 August 2023.

### Further information

Interim period: 01.01.23 - 30.06.23

Final period: 01.07.23 - 31.12.23

Group 1: Shares purchased prior to a distribution period

Group 2: Shares purchased during a distribution period

### Equalisation

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

# MI Chelverton Equity Fund

## General Information

### Authorised Status

MI Chelverton Equity Fund (the 'Company') is structured as an Open-Ended Investment Company, 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 04 April 2006 under registration number IC000431. The Shareholders are not liable for the debts of the Company.

The Company currently has 3 Sub-funds, which are detailed below:

MI Chelverton UK Equity Income Fund  
MI Chelverton UK Equity Growth Fund  
MI Chelverton European Select Fund

### Head Office

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

### Address for Service

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

### Base Currency

The base currency of the Company is Pound Sterling.

### Share Capital

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

### Classes of Shares

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

The Sub-funds currently have the following classes of shares available for investment:

Sub-funds	Share Class					
	A		B		C	
	Inc	Acc	Inc	Acc	Inc	Acc
MI Chelverton UK Equity Income Fund	✓*	✓	✓	✓	–	–
MI Chelverton UK Equity Growth Fund	–	✓	✓	✓	–	–
MI Chelverton European Select Fund	✓	✓	✓	✓	✓**	✓***

\*A Income share class closed 25 January 2024.

\*\*C Income share class currently not invested.

\*\*\*C Accumulation share class launched 24 August 2023.

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.

## General Information

continued

### Valuation Point

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

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

### Buying, Redeeming and Switching of Shares

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

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

Or by telephone to:

0345 305 4217

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 Sub-fund which represents the Net Asset Value of the Sub-fund concerned. The share price is calculated on a forward pricing basis, that is at the next Valuation Point after the purchase or redemption is deemed to be accepted by the ACD.

The prices of shares are published daily on [www.fundrock.com](http://www.fundrock.com). Neither the ACD nor the Company can be held responsible for any errors in the publication of the prices. The shares in the Company will be issued and redeemed on a forward pricing basis which means that the price will not necessarily be the same as the published price.

### Other Information

The Instrument of Incorporation, Prospectus, Key Investor Information Document and the most recent interim and annual reports may be inspected at the office of the 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 implications of current world geopolitical tensions and conflicts. The current crises have and will have a wider impact in terms of market performance.

On 25 January 2024 MI Chelverton UK Equity Income Fund A Income share class closed, following a full redemption.

### ACD Value Assessment

The ACD is required to provide an annual statement for the Company, attesting that in the opinion of the ACD the services provided to the Company and any fees chargeable to the scheme property represent value for money, taking into account the following criteria as set out by the Regulator under COLL 6.6.20R:

- Quality of Service
- Performance
- Economies of Scale
- Comparable Services and Market Rates
- Classes of Shares

# MI Chelverton Equity Fund

## General Information

continued

This statement references services provided directly by the ACD and those services delegated by the ACD to third parties such as, but not limited to, investment management, depositary services, custody and settlement, audit provision, legal services, printing services, KIID production and maintenance, and other costs as may be set out or allowable in the scheme documentation.

The ACD Value Assessment is published on [www.fundrock.com](http://www.fundrock.com).

### Remuneration of the Authorised Corporate Director

The ACD is subject to a remuneration policy which meets the requirements of the Undertakings for Collective Investment in Transferable Securities Directive ('UCITS') as set out in SYSC 19E of the FCA Handbook.

The policy is designed to ensure practices for employee remuneration are consistent with, and promote, sound and effective risk management. It does not encourage risk-taking which is inconsistent with the risk profiles, rules or instrument of incorporation of the funds managed, and does not impair the ACD's compliance with its duty to act in the best interests of the funds it manages.

The ACD has reviewed the Remuneration Policy and its application in the last year which has resulted in no material changes to the policy or irregularities to process.

This disclosure does not include portfolio management activities as these are undertaken by various third party investment managers appointed by the ACD. The Investment Manager is required to make separate public disclosure as part of their obligations under the Capital Requirements Directive.

The ACD is required to disclose the total remuneration it pays to its staff during the financial year of the fund, split into fixed and variable remuneration, with separate aggregate disclosure for staff whose actions may have a material impact to the risk profile of a fund or the ACD itself. This includes executives, senior risk and compliance staff and certain senior managers.

<b>31.12.23</b>	<b>Number of Beneficiaries</b>	<b>Fixed</b>	<b>Variable</b>	<b>Total</b>
Total remuneration paid by the ACD during the year	17	£1,497,000	£206,000	£1,703,000
Remuneration paid to employees of the ACD who are material risk takers	6	£729,000	£127,000	£856,000

Further information is available in the ACD's Remuneration Policy Statement which can be obtained from [www.fundrock.com](http://www.fundrock.com) or, on request free of charge, by writing to the registered office of the ACD.

### 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.



