

MI Somerset Capital Management Investment Funds ICVC

Value Assessment 2024

Reporting End Period 30th September 2023



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

On 7 December 2023, Somerset announced they will be initiating a closure of their business.

Following discussions with a number of parties to secure the best outcome for investors, the AFM has appointed Polen Capital UK LLP as the delegated investment manager for the Funds. Polen Capital UK LLP is an FCA authorised investment manager and a subsidiary of Polen Capital Management LLC.

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

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

Introduction to the ACD Assessment of Value

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

Value Assessment Criteria

AFM Costs

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



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

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

Quality of Service

The range and quality of services provided to shareholders.

Performance

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

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

Economies of Scale

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

Comparable Market Rates

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

by the ACD; or

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

Comparable Services



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

Classes of Shares

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



AFM Costs - Fees & Services Chargeable to the Fund

Fees and Services of the Authorised Corporate Director

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

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

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

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

Fees and Services of the Fund Administrator

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

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

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

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

Fees and Services of the Depositary and Custodian

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

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

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

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

Fees and Services of the Auditor

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

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

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



Fees and Services of the Investment Manager

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

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

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



Fund Performance

Overview of the criteria used to assess Value regarding Fund Performance

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

MI Somerset Emerging Markets Dividend Growth Fund

Sub-Fund Overall Value Assessment score 30th September 2023

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

Fair

Sub-Fund Performance 30th September 2023

To provide an objective measure of performance and value the ACD has adopted the following methodology. The performance of the Fund has been assessed based on the Fund’s position within its elected Investment Association fund sector (Global Emerging Markets) over 1, 3 and 5 years respectively, and/or since inception as appropriate.

The Somerset Emerging Markets Dividend Growth Fund has performed well over the last twelve months outperforming both its peer group and the MSCI Emerging Markets Index. Over three years the Fund has also outperformed comparator funds in the IA Global Emerging Markets Sector. Over five years however, the Fund has significantly underperformed peer funds but most of this underperformance occurred before the existing managers were appointed.

1 Year	Good
3 Years	Good
5 Years	Poor

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

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

Performance & Investment Activity

During the 12-month period ended 30 September 2023, the Somerset Emerging Markets Dividend Growth Fund outperformed the MSCI Emerging Markets Index by +6.18%. The Sub-fund’s GBP Accumulation Class1 share price at Net Asset Value (NAV) rose 8.34% in sterling terms whereas the MSCI Emerging Markets Index rose 2.16%.

India was the largest contributor to performance. One of our strongest investments was BLS International Services in India, a company we purchased in the 12-month period. BLS processes visas, identification documents, and attests documents, on behalf of national and state governments. There is a long runway of growth in the industry as circa 50% of such document processing is still completed by national or state governments in-house. However, the trend is to outsource processing as it is easier and more profitable for governments. The industry

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itself has high barriers to entry and is comprised of only three players, of which BLS International is the second largest, with the capability to provide services on a global scale. We expect the company to grow earnings by over 35% in the coming 12 months and its competitive advantages put it in a strong position to take market share of new outsourcing contracts. Overall, we remain underweight India, while we continue to search for businesses at attractive valuations in a market that has become expensive.

Elsewhere, the Sub-fund's technology investments in 2023 have been buoyed by developments in AI. In May, NVIDIA's unveiling of the DGX GH200 supercomputer and its huge order demand showed that investment in AI capabilities is likely to continue. Companies such as SK Hynix, the DRAM maker, will be a beneficiary of this large order demand as it is one of the few memory companies that can provide the advanced chips to power the GH200. From a fundamental perspective, we believe the stock remains attractively valued trading on just 1.2x book value. In addition, companies across the semiconductor supply chain such as eMemory Technology and Park Systems performed strongly for the Sub-fund. Looking forward, we believe our exposure will continue to benefit from the increasing investment needed in technology hardware required for AI computing.

We have added to our technology exposure and our weighting has risen from 25.4% to 27.3% NAV over the 12-month period (including impact of market movements). One company we purchased was Silergy, the largest independent analogue IC (Integrated Circuits) design company in Asia, with a focus on high-performance PMIC (Power Management Integrated Circuit). The company is listed in Taiwan but headquartered in China. Alongside providing PMIC solutions globally, domestically Silergy has also sought to displace MNCs (Multinational Companies) in China. There is a long growth outlook for Silergy in analogue PMIC, with the core demand coming from industrials and automotive, along with import substitution in China. However, more recently, Silergy along with the entire PMIC sector has had a difficult period as demand waned post the COVID era PMIC supply shortage. The stock has corrected c.80% from its peak in 2021 and is trading near its 5 year trough price/book value, reflecting this weakness in the business. Whilst we have no predictor for when demand will pick up, the industry is now almost 2 years through digesting any excess inventories and sales have stabilised for Silergy. Consequently, we believe the opportunity is skewed to the upside from this juncture.

China has experienced a volatile 12 months but our selective exposure, which is diversified across industries, has outperformed the market. It is important to highlight that our exposure is not a market call, but a selection of individual companies that we feel are well placed to grow for a number of years in this environment, and where valuations do not reflect our expectations. Beijing Kingsoft Office Software (BKOS), a company that develops productivity software, much like Microsoft Office, has been the Sub-fund's strongest performer. The Chinese government has long iterated its desire to move away from using productivity software developed by international companies and as such BKOS is used across the government and is being rolled out in county governments, alongside being taken-up by enterprises and individuals. We sold out of our position as valuations become unjustifiable following a period of AI-related exuberance but would happily buy back at more appropriate levels.

In China, we have taken advantage of suppressed pricing presented during the market volatility to add positions at attractive valuations. Over the period we purchased Sieyuan Electric, the largest private producer of equipment for the electrical grid in China, and second largest overall. The investment case for Sieyuan is interesting because, while concerns about a slowing Chinese economy and weak consumption remain, we have identified areas of the economy where there is expenditure and growth. In recent years there has been a sustained effort by the government to increase investment in the Chinese electricity grid to meet the requirements of growing demand related to EVs, broad consumption, and changing power generation mix to renewable sources. The private sector is also investing in equipment to facilitate decarbonisation and electrification. We expect these investments to continue within China and internationally, so this step change in CAPEX provides a strong runway for growth over the long term for an electrical equipment provider such as Sieyuan. The company's R&D capabilities and innovative and comprehensive product portfolio are strong advantages which should put it in a good position to be a key provider of equipment and win tenders. Sieyuan is a cash generative company and has been able to fund its own growth whilst paying a dividend, enhancing the total return to Shareholders.

Overall, we think that emerging markets remain well positioned within a global economic slowdown as many countries still have numerous fiscal and monetary tools at their disposal. Brazil, with the potential to reduce currently extreme positive real interest rates, falling inflation and low valuations provides huge potential. And although stimulus has had little effect yet, China remains one of the few large economies that continues to lower interest rates, encourage bank lending and has the capability for further fiscal aid. While we do not expect a huge boost to the economy, we do expect the measures of the last 12 months to gain traction and to see an ongoing economic recovery. While not seeking broad exposure to the economy or market, we think that our individual companies can all potentially perform well in this environment.

1Net Asset values of the Accumulation shares classes are based on the published single price provided by Apex Fundrock Limited, the Sub-fund ACD and Administrator; historical prices for other share classes can be provided on request.

MI Somerset Emerging Markets Dividend Growth Fund

Fund Information

Key Investor Information

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



MI Somerset Emerging Markets Dividend Growth Fund ("the Fund") A Accumulation GBP Shares

This is a sub fund of MI Somerset Capital Management Investment Funds ICVC. The Fund is an Open Ended Investment Company. ISIN: GB00B4Q07115. Apex Fundrock Ltd is the Authorised Corporate Director of the Fund ("MI" and "MI Funds" are trading names of the ACD).

Objectives and investment policy

The Fund aims to grow your investment and provide income.

The Fund will invest in shares of dividend-paying companies established or operating in emerging market countries, which are typically countries that are still developing their economies. The Fund will invest principally in Asia, Eastern Europe, the Middle East, Africa and Latin America.

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

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

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

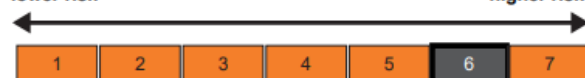
For full investment objectives and policy details please refer to the prospectus.

Risk and reward profile

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

Typically lower rewards, lower risk

Typically higher rewards, higher risk



- This Fund is ranked at 6 because funds of this type have experienced high rises and falls in value in the past. Please note that even the lowest risk class can lose you money and that extreme market circumstances can mean you suffer severe losses in all cases. The indicator does not take into account the following risks of investing in this Fund:
- Investing overseas can bring additional returns and spread risk to different markets. There are risks, however, that changes in currency exchange rates may cause the value of your investment to decrease and increase.
- Emerging markets or less developed countries may face more political, economic or structural challenges than developed countries. This means your money is at greater risk.
- In difficult market conditions, the value of some investments may be less predictable than normal and the Fund may not be able to buy and sell these investments at the best time or at a fair price. This could affect the Fund's performance, potentially reducing your returns.
- For further risk information please see the prospectus.

MI Somerset Emerging Markets Dividend Growth Fund

Fund Information



Charges

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

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

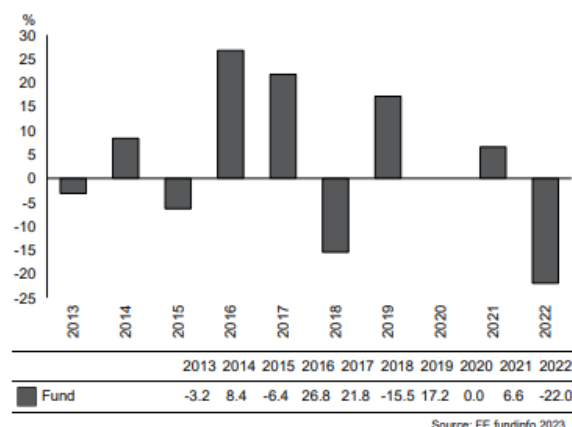
These are the maximum charges that we might take out of your money before it is invested and before we pay out the sale proceeds of your investment. In some cases, you might pay less and you should speak to your financial adviser about this.

Charges taken from the Fund over a year	
Ongoing charges	1.24%

Charges taken from the Fund under specific conditions	
Performance fee	NONE

- Switching charge (for switching into the Fund from another fund) 1.00%.
- The ongoing charges figure is based on the last year's expenses and may vary from year to year. It excludes the costs of buying or selling assets for the Fund (unless these assets are shares of another fund).
- For the ongoing charge, the figure is as at 31 March 2023.
- Charges are deducted from capital. This may allow more income to be paid but it may also restrict capital growth.
- No entry charge is currently levied by the ACD, however, an entry charge of up to 5% based on the value of your investment may be applied on the value of the shares purchased, at the discretion of the ACD.
- For more information about charges, please see the prospectus.

Past performance



- You should be aware that past performance is not a guide to future performance.
- Fund launch date: 29/03/2010.
- Share/unit class launch date: 29/03/2010.
- Performance is calculated in GBP.

Practical information

- This document is issued by Apex Fundrock Ltd and contains information on the A Accumulation GBP Shares only ("MI" and "MI Funds" are trading names of the ACD).
- Each fund of the Company has its own pool of assets and liabilities, segregated by law. If one fund were unable to pay for its liabilities the assets of the other funds could not be used to pay for those liabilities.
- You can get further detailed information regarding the Fund, including details of the investment manager and how to switch, buy and sell shares and other share classes available, within the prospectus, the supplementary information document and the annual and half yearly managers' reports. You can get these free of charge from Apex Fundrock Ltd, Hamilton Centre, Rodney Way, Chelmsford, Essex CM1 3BY or from our website: www.fundrock.com. These are available in English only. You can also call us on 0345 026 4282, or look on our website for the latest share prices.
- Details of the ACD's remuneration policy (including a description of how remuneration and benefits are calculated, the composition of the remuneration committee and the identities of persons responsible for awarding remuneration and benefits) are available at www.fundrock.com/mi-fund-data or by requesting a paper copy free of charge (see above for contact details).
- The Depositary of the Fund is Northern Trust Investor Services Limited.
- Please note that the tax laws of the United Kingdom may impact your own tax position.
- Apex Fundrock Ltd may be held liable solely on the basis of any statement contained in this document that is misleading, inaccurate or inconsistent with the relevant parts of the prospectus for the Fund.

MI Somerset Emerging Markets Discovery Fund

Sub-Fund Overall Value Assessment score 30th September 2023

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

Good

Sub-Fund Performance 30th September 2023

To provide an objective measure of performance and value the ACD has adopted the following methodology. The performance of the Fund has been assessed based on the Fund's position within its elected/appropriate Investment Association fund sector over 1, 3 and 5 years respectively, and/or since inception as appropriate. The MI Somerset Emerging Markets Discovery Fund is traditionally in the IA Global Emerging Markets sector.

Over both one and three years to the 30th September 2023 the Fund has outperformed the IA Global Emerging Markets Sector. The Fund has not been in existence for five years and therefore a longer assessment of performance cannot be made.

1 Year	Good
3 Years	Good

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

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

Performance & Investment Activity

The Sub-fund's Accumulation Class1 share price at NAV rose by 10.69% in sterling terms during the 12 months to 30 September 2023, whereas the MSCI Emerging Markets Index rose by 2.16% and the MSCI Emerging Markets Small Mid Cap Index rose 9.72%. Against the Sub-fund's benchmark, the Sub-fund outperformed by 8.02% over the period.

Since this is my first commentary as Co-Manager for the MI Somerset Emerging Markets Discovery Fund, before giving my views on the Sub-fund and market, I wanted to introduce myself, my investment philosophy and background. I started in the asset management industry in 2005, when I joined Fidelity as an Investment Analyst in London, having gained an MSc in chemical engineering from the Universidad Metropolitana, Venezuela, and an MBA, majoring in Finance & Accounting from Indiana University. I joined the Emerging Markets team and managed the Fidelity Latin America Fund from 2008-2019. In January 2021, I joined Somerset Capital Management LLP as a Senior Investment Analyst where I have specialised in Latin America, but also formed part of the Global Emerging Markets portfolio construction team, so my experience is broad across Global Emerging Market Equities.



In respect to my management of the MI Somerset Emerging Markets Discovery Fund, my primary objective is to increase returns for Shareholders by maximising the future earnings power of the portfolio. If I succeed in my role as Portfolio Manager, the portfolio will compound long-term returns at a reasonable rate, while limiting the risk of a permanent loss of capital.

To achieve this, we will buy companies that have a proven business model and where I have conviction that their future profits will be significantly higher than they are today. We define a proven business model as one that has a track record of sustaining high returns on capital, or improving returns on capital over time, and that can reinvest cash generated by high returns either internally (preferred option) or via acquisitions (analysis will be needed). If the company is not able to reinvest cash, they must have a sensible management team that returns excess cash as dividends to Shareholders. Few companies can meet these criteria over time, and even fewer do it at a reasonable price for investors. My work is to narrow the market and build a balanced portfolio of <50 Constituents.

Turning to Sub-fund performance over the last 12 months, India has been a pocket of strong performance. The growth story in India remains undimmed, although investors tend to have to pay slightly higher valuations as a result. Macrotech Developers (real estate) was the Sub-fund's best performing stock in India. BLS International Services, one of three international players that processes visas and identification documents for national and state governments, also performed strongly. c.50% of document processing remains inhouse but the market is increasingly outsourcing, providing a long runway for growth. In addition, BLS is winning contracts from peers and is improving margins by increasing sales of value-added services. We recently purchased a new holding in India, Star Health & Allied Insurance. The firm offers health and travel insurance policies to individuals. Supported by our growth at a reasonable price ('GARP') approach, we believe the company offers years of growth at a reasonable valuation. We do not expect to actively increase overall exposure to India significantly from here.

We also saw strong returns across our Financials, which benefitted from rising interest rates. Bank of Georgia (one of the two dominant banks in Georgia) was the Sub-fund's highest contributor to relative returns. The bank is well capitalised, has conservative provisioning and is highly profitable. The stock rallied as rate rises increased throughout the year.

China Overseas Property Holding ('COPH'), the leading property management company, is the Sub-fund's largest single stock exposure in China and contributed positively to Sub-fund performance despite negative sentiment towards Chinese equities. COPH's stock price benefitted its resilient operational performance over the period. We continue to see it as a key beneficiary from industry consolidation in the long-term. We need to be cognisant of the low weight to Chinese names within the portfolio, as the government there seeks to further increase economic stimulus to prompt an economic recovery. We continue to look for opportunities to purchase Chinese companies with proven business models at attractive valuations.

The Sub-fund has significant exposure to Latin America. In Brazil, extreme positive real interest rates, falling inflation and low valuations provides huge potential. The Sub-fund has exposure to exporters and consumers companies that should benefit from the reduction in real interest rates. In Mexico, the portfolio looks to benefit from strong economics and "Near-shoring".

The South African economy has been weak, with political inertia combining with rolling electricity blackouts implemented to manage the outdated power generation infrastructure. We hold Clicks, the leading pharmacy chain in South Africa, which has demonstrated consistent market share gains despite a difficult operating environment and remains highly profitable and cash generative.

In conclusion, emerging markets have derated significantly as an asset class during the last decade, valuations remain relatively cheap, and we expect to see an improvement as the cycle turns. I believe the universe still presents compelling opportunities, and my focus will be on owning well-managed businesses with strong balance sheets.

1Net Asset values of the Accumulation shares classes are based on the published single price provided by Apex Fundrock Limited, the Sub-fund ACD and Administrator; historical prices for other share classes can be provided on request.

MI Somerset Emerging Markets Discovery Fund

Fund Information

Key Investor Information

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



MI Somerset Emerging Markets Discovery Fund ("the Fund") A Accumulation GBP Shares

This is a sub fund of MI Somerset Capital Management Investment Funds ICVC. The Fund is an Open Ended Investment Company. ISIN: GB00BK5SP702. Apex Fundrock Ltd is the Authorised Corporate Director of the Fund ("MI" and "MI Funds" are trading names of the ACD).

Objectives and investment policy

The Fund aims to grow your investment.

The Fund aims to outperform the MSCI Emerging Markets SMID (Small-Mid Capitalisation) Index (with net dividends reinvested) over a 5 year period. However, there is no guarantee that this return will be achieved and investors should note that capital is at risk.

The Fund will invest in shares of companies with a value of less than US\$15 billion, at the time of investment, that are established or operating in emerging and frontier market countries. These are countries that are still developing their economies. The Fund will invest at least 80% (but usually significantly more) in Asia, Eastern Europe, the Middle East, Africa and Latin America.

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

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

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

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

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

Risk and reward profile

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



- This Fund is ranked at 6 because funds of this type have experienced high rises and falls in value in the past. Please note that even the lowest risk class can lose you money and that extreme market circumstances can mean you suffer severe losses in all cases. The indicator does not take into account the following risks of investing in this Fund:
- Investing overseas can bring additional returns and spread risk to different markets. There are risks, however, that changes in currency exchange rates may cause the value of your investment to decrease and increase.
- Emerging markets or less developed countries may face more political, economic or structural challenges than developed countries. This means your money is at greater risk.
- In difficult market conditions, the value of some investments may be less predictable than normal and the Fund may not be able to buy and sell these investments at the best time or at a fair price. This could affect the Fund's performance, potentially reducing your returns.
- For further risk information please see the prospectus.

MI Somerset Emerging Markets Discovery Fund

Fund Information



Charges

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

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

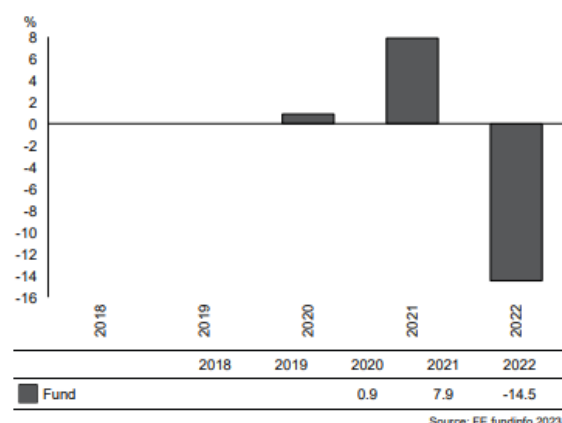
These are the maximum charges that we might take out of your money before it is invested and before we pay out the sale proceeds of your investment. In some cases, you might pay less and you should speak to your financial adviser about this.

Charges taken from the Fund over a year	
Ongoing charges	0.18%

Charges taken from the Fund under specific conditions	
Performance fee	NONE

- Switching charge (for switching into the Fund from another fund) 1.00%.
- The ongoing charges figure is based on the last year's expenses and may vary from year to year. It excludes the costs of buying or selling assets for the Fund (unless these assets are shares of another fund).
- The Annual Management Charge of 0.75% has been reduced to 0.00% until 30 September 2023.
- For the ongoing charge, the figure is as at 31 March 2023.
- For more information about charges, please see the prospectus.

Past performance



- You should be aware that past performance is not a guide to future performance.
- Fund launch date: 30/10/2019.
- Share/unit class launch date: 30/10/2019.
- Performance is calculated in GBP.

Practical information

- This document is issued by Apex Fundrock Ltd and contains information on the A Accumulation GBP Shares only ("MI" and "MI Funds" are trading names of the ACD).
- Each fund of the Company has its own pool of assets and liabilities, segregated by law. If one fund were unable to pay for its liabilities the assets of the other funds could not be used to pay for those liabilities.
- You can get further detailed information regarding the Fund, including details of the investment manager and how to switch, buy and sell shares and other share classes available, within the prospectus, the supplementary information document and the annual and half yearly managers' reports. You can get these free of charge from Apex Fundrock Ltd, Hamilton Centre, Rodney Way, Chelmsford, Essex CM1 3BY or from our website: www.fundrock.com. These are available in English only. You can also call us on 0345 026 4282, or look on our website for the latest share prices.
- Details of the ACD's remuneration policy (including a description of how remuneration and benefits are calculated, the composition of the remuneration committee and the identities of persons responsible for awarding remuneration and benefits) are available at www.fundrock.com/mi-fund-data or by requesting a paper copy free of charge (see above for contact details).
- The Depositary of the Fund is Northern Trust Investor Services Limited.
- Please note that the tax laws of the United Kingdom may impact your own tax position.
- Apex Fundrock Ltd may be held liable solely on the basis of any statement contained in this document that is misleading, inaccurate or inconsistent with the relevant parts of the prospectus for the Fund.

MI Somerset Global Emerging Markets Fund

Sub-Fund Overall Value Assessment score 30th September 2023

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

Fair

Sub-Fund Performance 30th September 2023

To provide an objective measure of performance and value the ACD has adopted the following methodology. The performance of the Fund has been assessed based on the Fund's position within its elected/appropriate Investment Association fund sector (Global Emerging Markets) over 1, 3 and 5 years respectively, and/or since inception as appropriate.

The performance of the Somerset Global Emerging Markets Fund has been rated Poor over an extended period (1, 3 and 5 years), a large weighting in China and poor stock selection are the principal reasons for this. As a result of this poor performance Somerset Capital Management LLP, has taken the decision to change the Portfolio Manager to Kumar Pandit from 1st February 2024. This move is supported by Polen Capital UK LLP, who will take over as the Investment Manager of the Fund on 1st February 2024. Mr Pandit has a wealth of experience within the Global Emerging Markets Equities, having worked within the asset class for over 15 years and with particular expertise in Latin America. Mr Pandit has also managed a sister fund for Somerset Capital over the last three years and in that time this fund has outperformed comparator funds. As ACD, we support this change of Portfolio Manager.

The change of portfolio manager and our knowledge of his performance record, combined with the fact that all other services provided to the fund are rated good value, leads us to rate the fund Fair overall, despite the poor recent performance record. The AFM is continuing to monitor the performance of the fund closely.

1 Year	Poor
3 Years	Poor
5 Years	Poor

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



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

Performance & Investment Activity

The Somerset Global Emerging Markets Fund's Institutional Accumulation Class1 share price at NAV was down 3.20% in sterling terms in the 12 months to 30 September 2023, whereas the MSCI Emerging Markets Index rose 2.16%.

The backdrop for emerging markets remained tough and funds exposed to China and growth struggled particularly. In late 2022, investors were optimistic about a recovery in China as stringent zero-COVID policies ended. However, the post-lockdown economic recovery was slower than expected and investor sentiment, and stock market returns, have remained weak in China. The slow pace of the economic recovery took many observers and investors by surprise, including us. The government continues to add support incrementally, including via the recent expansion of the number of international flights and visa free travel into the country. The stock market has not reacted to stimulus thus far, waiting for confirmation of a sustained recovery. We expect continued incremental policy support until sentiment improves.

At the portfolio level, our consumer names in China have been the key detractor to relative performance over the period. However, we continue to think our selected exposure to consumption trends like premiumisation and electric vehicles are compelling places to invest. For example, e-commerce company JD.com's premium reputation, alongside its industry-leading in-house logistics network, give it an edge within this competitive sector. Similarly, BYD's (the leading EV maker) advantage lies in its ability to dominate the midpriced EV market whilst remaining profitable. This year its market share of total auto sales has risen to 39%, as customers seeking to purchase a vehicle are flocking to purchase its models, which are around 50% cheaper than a Tesla and cost \$20,000 for an entry level car.

Elsewhere, our technology exposure (Taiwan Semiconductor, SK Hynix and Samsung Electronics) has performed strongly over the period as breakthroughs in generative artificial intelligence and large language learning models will lead to new potential growth engines over the long-term. Companies such as SK Hynix, the DRAM maker, will be a beneficiary of this large order demand as it is one of the few memory companies that can provide the advanced chips to power the GH200. Valuations remain supportive. The semiconductor industry was only just beginning to recover from last year's contraction. We think at the least AI demand should put a bottom under the cycle from here.

We took advantage of market falls to add a number of new positions at attractive valuations over the period. We purchased Sendas Distribuidora in Brazil, the country's leading (cash and carry) food distribution business, which will benefit from a reduction in real interest rates later in the year and a pick-up in the local economy. In China, we purchased Milkyway Chemical Supply Chain Service, the largest private chemical logistics company in China. Milkyway Chemical Supply Chain Service should benefit from an increasing usage of outsourced chemical logistics, which is low at 26% compared to nearer 80% in developed markets. This will hinge on tightening environmental and safety regulations, which drives increased outsourcing. We also believe Milkyway Chemical Supply Chain Service will gain share, where it only expects to make RMB 7billion of revenue this year out of a RMB 250billion addressable market. This is probable as it is a well-run private player that mainly competes against State Run Enterprises who are not incentivised to grow in hazardous chemical logistics. Milkyway Chemical Supply Chain Service has licensing barriers in storage which are hard to challenge with high switching costs, which creates a tight supply/demand dynamic that provides pricing power. The competitive dynamic also applies to potential consolidation, where Milkyway Chemical Supply Chain Service is the key (and often only) buyer in this industry and can execute in a value accretive way.

Overall, we think that emerging markets remain well positioned within a global economic slowdown. We stick with our China overweight on cheap valuations and expect an economic upturn to gather momentum. We see tentative signs that the bottom is in sight as far as the economy is concerned. We believe Brazil offers huge potential with extreme positive real interest rates, falling inflation and low valuations. In India, aside from a few structural growth companies which always trade at high multiples, we are wary of adding at this point, with some smaller cyclical companies trading at over 50x Price to Earnings Ratio.

1Net Asset values of the Accumulation shares classes are based on the published single price provided by Apex Fundrock Limited, the Sub-fund ACD and Administrator; historical prices for other share classes can be provided on request.

MI Somerset Global Emerging Markets Fund

Fund Information

Key Investor Information

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



MI Somerset Global Emerging Markets Fund ("the Fund") A Accumulation GBP Shares

This is a sub fund of MI Somerset Capital Management Investment Funds ICVC. The Fund is an Open Ended Investment Company. ISIN: GB00B3F27B14. Apex Fundrock Ltd is the Authorised Corporate Director of the Fund ("MI" and "MI Funds" are trading names of the ACD).

Objectives and investment policy

The Fund aims to grow your investment.

The Fund will invest in shares of companies established or operating in emerging market countries, which are typically countries that are still developing their economies. The Fund will invest principally in Asia, Eastern Europe, the Middle East, Africa and Latin America.

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

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

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

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

Risk and reward profile

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



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- In difficult market conditions, the value of some investments may be less predictable than normal and the Fund may not be able to buy and sell these investments at the best time or at a fair price. This could affect the Fund's performance, potentially reducing your returns.
- For further risk information please see the prospectus.

MI Somerset Global Emerging Markets Fund

Fund Information



Charges

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

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

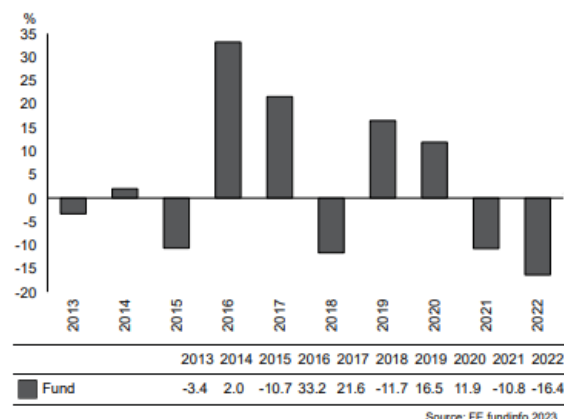
These are the maximum charges that we might take out of your money before it is invested and before we pay out the sale proceeds of your investment. In some cases, you might pay less and you should speak to your financial adviser about this.

Charges taken from the Fund over a year	
Ongoing charges	1.70%

Charges taken from the Fund under specific conditions	
Performance fee	NONE

- Switching charge (for switching into the Fund from another fund) 1.00%.
- The ongoing charges figure is based on the last year's expenses and may vary from year to year. It excludes the costs of buying or selling assets for the Fund (unless these assets are shares of another fund).
- For the ongoing charge, the figure is as at 31 March 2023.
- For more information about charges, please see the prospectus.

Past performance



- You should be aware that past performance is not a guide to future performance.
- Fund launch date: 17/11/2008.
- Share/unit class launch date: 16/12/2008.
- Performance is calculated in GBP.

Practical information

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- Please note that the tax laws of the United Kingdom may impact your own tax position.
- Apex Fundrock Ltd may be held liable solely on the basis of any statement contained in this document that is misleading, inaccurate or inconsistent with the relevant parts of the prospectus for the Fund.