



MI Charles Stanley Investment Funds II

Annual Report 31 January 2025

MI Charles Stanley Investment Funds II

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

Directory

Authorised Corporate Director ('ACD') & Registrar

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

Customer Service Centre

Hamilton Centre, Rodney Way, Chelmsford, Essex CM1 3BY
Telephone: 0345 308 1456
Fax: 0845 280 1815
E-mail: charlesstanley@apexgroup.com

Directors of the Authorised Corporate Director

A.C. Deptford
P.J. Foley-Brickley
S.J. Gunson (appointed 24 May 2024)
I.T. Oddy (retired 07 March 2024)
C. O'Keeffe (retired 06 May 2024)
E. Personne (Non-Executive Director appointed 25 September 2024)
D. Phillips (Non-Executive Director)
L.A. Poynter (appointed 18 June 2024)
J. Thompson (Non-Executive Director)

Investment Manager

Charles Stanley & Co Limited
Ropemaker Place, 25 Ropemaker Street, London EC2Y 9LY
(Authorised and regulated by the Financial Conduct Authority)

Depository

Northern Trust Investor Services Limited ('NTISL')
50 Bank Street, Canary Wharf, 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 apply 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 its Sub-funds 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 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 the information.

Certification of the Annual Report by the Authorised Corporate Director

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

A.C. Deptford

P.J. Foley-Brickley

S.J. Gunson

L.A. Poynter

Directors

Apex Fundrock Limited

29 May 2025

Statement of the Depositary's Responsibilities in Respect of the Scheme and Report of the Depositary to the Shareholders of the MI Charles Stanley Investment Funds II ('the Company')

for the year ended 31 January 2025

The Depositary must ensure that the Company is managed in accordance with the Financial Conduct Authority's Collective Investment Schemes Sourcebook, and 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 Scheme documents and the Regulations 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 ('NTISL')

UK Trustee and Depositary Services

29 May 2025

Independent Auditor's Report to the Shareholders of MI Charles Stanley Investment Funds II

Opinion

We have audited the financial statements of MI Charles Stanley Investment Funds II (the 'Company') for the year ended 31 January 2025. 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 Charles Stanley Equity Fund
- MI Charles Stanley Monthly High Income Fund
- MI Charles Stanley UK & International Growth Fund

The individual financial statements for each of the Company's Sub-funds comprise the Statement of Total Return, Statement of Change in Net Assets Attributable to Shareholders, 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 for 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 January 2025 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 for 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 Geopolitical Uncertainties 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.

Independent Auditor's Report to the Shareholders of MI Charles Stanley Investment Funds II

continued

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.

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.

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 on pages 12, 28 and 51, the Investment Manager's Report on pages 12, 28 and 51, the Portfolio Statement on pages 14, 30 and 53, the Risk and Reward Profile on pages 18, 36 and 57 and the General Information on page 68) 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 set out on page 2, 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-fund's 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. This description forms part of our auditor's report.

Independent Auditor's Report to the Shareholders of MI Charles Stanley Investment Funds II

continued

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).

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 United Kingdom Generally Accepted Accounting practice, the Collective Investment Schemes sourcebook, the Statement of Recommended Practice 'Financial Statements of UK Authorised Funds' issued by the Investment association in May 2014 as amended in June 2017, United Kingdom Accounting Standards, including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Company's Instrument of Incorporation;
- 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 and the fund's prospectus;
- 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.
- We communicated relevant laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

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. This description forms part of our auditor's report.

Independent Auditor's Report to the Shareholders of MI Charles Stanley Investment Funds II

continued

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

29 May 2025

MI Charles Stanley Investment Funds II

Accounting Policies and Risk Management Policies

for the year ended 31 January 2025

1. Accounting Policies

The financial statements for MI Charles Stanley Investment Funds II 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 Company can be found within the general information starting on page 68.

The Certification of the Annual Report by the Authorised Corporate Director 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.

Distributions from Collective Investment Schemes are recognised when the schemes are quoted ex-distribution. Equalisation returned with the distribution is deducted from the cost of the investment and does not form part of the distributable revenue.

Any reported revenue from an offshore reporting fund is recognised as revenue no later than the date on which the reporting fund makes the information available.

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

In the case of debt securities any difference between acquisition cost and maturity value is recognised as revenue over the life of the security using the effective yield basis of calculating amortisation.

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.

Accounting Policies and Risk Management Policies

continued

1. Accounting Policies (continued)

(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.

In the case of debt securities any difference between acquisition cost and maturity value is recognised as revenue over the life of the security using the effective yield basis of calculating amortisation. This may constrain the capital growth of the Sub-fund.

For the purpose of enhancing revenue entitlement, all expenses in respect of the MI Charles Stanley Monthly High 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.

(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.

Collective Investment Schemes are valued at quoted bid price for dual priced funds and at quoted price for single priced funds, on the last business day of the accounting year.

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

The fair value of open forward foreign currency contracts is calculated with reference to the changes in the spot rate, changes in interest rate differential and the reduced term left to maturity.

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 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 or 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 sales 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-fund 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-fund 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-fund is 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.

The Company may invest in Collective Investment Schemes, therefore a Sub-fund may be indirectly exposed to the underlying Collective Investment Scheme investments.

Interest rate risk

Interest rate risk is the risk that the value of the Sub-funds' investments will fluctuate as a result of changes in interest rates. The Sub-funds may invest in fixed and floating rate securities or schemes that invest in fixed or floating rate securities. The revenue of these Sub-funds may be affected by changes in interest rates relevant to particular securities or as a result of the ACD being unable to secure similar returns on the expiry of contracts or sale of securities. The value of fixed interest securities may be affected by interest rate movements or the expectation of such movements in the future.

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

A risk limit system is employed to monitor the risks related to the investment types, concentration and diversification of the Sub-funds' portfolios.

Credit risk

Credit risk arises from two main sources. Firstly, the possibility that the issuer of a security will be unable to pay interest and principal in a timely manner. Secondly, there is the possibility of default of the issuer and default in the underlying assets of a Collective Investment Scheme, meaning that a Sub-fund may not receive back the full principal originally invested. Adhering to investment guidelines and avoiding excessive exposure to one particular issuer or scheme can limit credit risk.

There are no net borrowings or unquoted securities. Stress testing and scenario analysis is carried out on a regular basis.

Accounting Policies and Risk Management Policies

continued

2. Risk Management Policies (continued)

Liquidity risk

Liquidity risk is the risk that the Sub-funds cannot raise sufficient cash to meet their 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, the Sub-funds 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.

The ACD manages the Sub-funds' 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-funds' cash balances are monitored daily by the ACD and the Investment Manager. All of the Sub-funds' 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 the Sub-funds' investments comply with their underlying obligations, particularly their 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.

MI Charles Stanley Equity Fund

Investment Objective and Policy

The investment objective of the Sub-fund is to generate capital growth from a portfolio consisting predominantly of companies which form part of the Morningstar UK GR Index. There may be occasions when the Investment Manager chooses to hold Collective Investment Schemes and a high level of bonds, government securities, cash and money market instruments.

The Sub-fund is actively managed in order to outperform the benchmark Morningstar UK GR Index. The main effort is concentrated on a "bottom up" approach with careful stock selection the key. The portfolio will concentrate on the larger constituents of the Morningstar UK GR Index.

Investment Manager's Report

for the year ended 31 January 2025

General Market Commentary & Outlook

The FTSE 100 hit a new all-time high at the end of January, boosted by some solid earnings reports, a stronger dollar and takeover talk. However, US markets put in a more subdued performance as the valuation of companies exposed to the artificial intelligence ('AI') sector fell from a peak in December.

Major US technology shares were hit by news that Chinese group DeepSeek had developed an AI system that it claimed is as powerful as those developed in the West, but at a fraction of the cost. After AI companies saw their valuations swell in 2024 on optimism over prospects for the nascent technology, concerns mounted that businesses were overspending. However, Mark Zuckerberg, chief executive of Meta Platforms, which has heavily invested in AI, said the company will not slow spending. He argued that investing in AI infrastructure will be a strategic advantage over time.

Donald Trump was inaugurated as US president in January after he won a majority in both chambers of Congress in the November 2024 election. He immediately released a flurry of Executive Orders, many of which involved reversing climate initiatives. These included the US's immediate withdrawal from the Paris Agreement on climate change and a promise to "drill, baby, drill" to increase the country's output of oil and gas.

Mr Trump repealed a 2023 memo from predecessor Joe Biden barring oil drilling in 16 million acres in the Arctic. The new president promised to fill up strategic oil reserves and export US energy all over the world. He also revoked a Biden order that sought to ensure half of all new vehicles sold in the US by 2030 were electric.

Equity markets have also been impacted by a note of caution over the pace of US interest rate cuts during 2025 following comments by senior Federal Reserve policymakers in December. The US central bank is now projecting just two interest rate cuts over 2025, as inflation has remained stubborn – and several of Mr Trump's policies are likely to contribute to inflation, should they be implemented in full.

The new president threatened to raise tariffs of 25% on Mexican and Canadian goods from 4 February, as he targets illegal immigration and drug smuggling. However, he postponed introducing the trade barriers for a month just before implementation. The 10% additional tariff on Chinese goods was not postponed. Also proposed are mass deportations from the US that will make low-skilled workers scarce, and tax cuts that are likely to increase or support consumer spending. Some tariffs against European goods are expected, but the UK – so far – has escaped being involved in the initial round of his trade conflict.

UK interest rates were kept unchanged in December following Labour's Budget statement, its first in 15 years, which was interpreted by markets as inflationary because spending is frontloaded, and tax rises come later. Businesses are also subject to an increase in employee National Insurance ('NI') contributions, which could mean price rises for consumers and issues in the jobs market as companies attempt to recoup these extra costs.

UK Chancellor Rachel Reeves defended her tax-hiking Budget saying that, without the changes to NI, the government would have lost control of the economy. This followed sharp moves in bond markets after the statement was issued, which increased government borrowing costs. Ms Reeves unveiled a series of measures aimed at boosting growth, saying they would add £78bn to the UK economy in the next 10 years.

The European Central Bank cut interest rates in December and January, making four cuts so far in its easing cycle. Inflation is now at its target level, although the Eurozone economy remains weak. Fourth quarter company earnings have generally been supportive of equity markets, but only about one third of businesses have issued statements so far.

Donald Trump's policy intentions have created some uncertainty over the outlook for inflation and growth in the US, but it is still expected to engineer a soft economic landing. Although evidence of a slowdown has emerged in the UK, there is nothing yet to suggest the slowdown could morph into a recession.

Investment Manager's Report

continued

Investment Review

The Sub-fund posted a +0.3% total return over the last six months compared to +5.0% total return for the Morningstar UK index and +1.6% total return for the IA UK All Companies peer group. Over the full year period the Sub-fund returned +10.7% against a +17.9% return for the Morningstar Index and +13.4% return for the IA UK All Companies peer group.

(Source: Financial Express Analytics, B Accumulation as at 31 Jan 2025, pounds sterling, net income re-invested).

The top contributors to performance over the 12-month period came from 3i, Allianz Technology and London Stock Exchange which posted total returns of 60.5%, 38.9% and 36.3% respectively. Execution at 3i's biggest investment position, Action, remained strong and the shares continued their recent impressive spell. We've been top slicing the holding throughout the year for prudent risk and portfolio management, but it continues to be the biggest contributor to returns. Allianz and London Stock Exchange in some ways both represent the technology-driven market rally, with Allianz a global exposure to a wide range of tech equities and London Stock Exchange repositioned as a data and exchange services business. We again took profits on both positions as they began to dominate the portfolio but welcome the strong returns that continue to be delivered.

The biggest detractors from performance came from YouGov, Next 15 Group and Croda International, which posted total returns of -66.2%, -52.2% and -28.7% respectively. YouGov and Croda remain in the portfolio, while Next 15 Group was sold, and we touch on that later. YouGov has been extremely disappointing to us, and the business has really struggled facing external competition and market disruption. Management put in place cost saving measures and guide to stabilisation, but this has not been taken favourably by the market and the shares remain weak. Post the period end, the current CEO stepped down to be replaced on an interim basis by the Chair, who co-founded the business and remains best placed to turn the story around.

It is disappointing to underperform the benchmark over the 12-month period, with the majority of that underperformance coming through in the last six months. Outside of the three stocks named above as detractors, the main deviation from returns came from our underweight positions to UK banks and energy companies. These stocks don't typically fit with our long-term investment philosophy and the omission of HSBC, Barclays, Lloyds and Shell, in addition to other names that do not fit the Sub-fund's philosophy, such as British American Tobacco, accounts for over 7% of the performance differential. We've seen multiple periods like this in recent years as energy markets remain volatile and interest rate paths drive the narrative, but have typically been rewarded over the longer term for sticking to our principles and not chasing these kind of moves.

A lot of the trading activity throughout the year involved recycling capital from our outperforming equities to balance the positions across the portfolio and top up those which had underperformed. Two positions were reinstated in the portfolio over the period, with the reintroduction of BAE Systems and Diageo. BAE Systems was sold from the portfolio shortly after the initiation of the Ukraine war having repriced higher very quickly. In hindsight this was the beginning of a regime shift in terms of defence spending, rather than a short-term speculative move higher, and so we had been looking for an opportunity to reintroduce the position. Following a moderate pullback in the share price we reinitiated a position and built this back into an active overweight. Diageo on the other hand was sold from the portfolio a number of years ago and has been very weak subsequently, falling over 40% in price terms from the high's achieved in 2022. We like that characteristics of the business and while we are conscious of the concerns the market has, we see value in the business at these levels. We do not anticipate this being a quick turnaround story but rather a multi-year re-building of investment thesis, so we have introduced a small position initially which will likely be built on over time. It currently remains an underweight position against the benchmark.

We also exited a couple of our smaller holdings during the period, notably Team Internet Group and Next 15 Group. Both AIM listed, these have faced the market wide issue following Labour's adjustment of the tax treatment of these businesses from an Inheritance Tax perspective, coupled with their own idiosyncratic problems spelled out in profit warnings. With higher conviction in other areas of the market and portfolio we took the decision to exit these small positions and redeploy the capital elsewhere.

Mergers and acquisitions (M&A) activity also kept us busy during the year, with the departure of both Spirent Communications and Keywords Studios from the portfolio after bids were announced at premiums, we were comfortable with. It is often a shame to have good businesses bought off us, as we would be happy to hold them for many years, but when short-term gains are offered, we look to benefit from these and seek out new opportunities.

MI Charles Stanley Equity Fund

Portfolio Statement

as at 31 January 2025

Holding	Security	Market value £	% of total net assets 2025
	TECHNOLOGY 8.60% (10.73%)		
	Software and Computer Services 6.14% (7.71%)		
77,883	Auto Trader	615,431	4.27
77,390	GB Group*	269,936	1.87
		885,367	6.14
	Technology Hardware and Equipment 2.46% (3.02%)		
55,172	discoverIE	355,308	2.46
	TELECOMMUNICATIONS 0.00% (1.11%)		
	HEALTH CARE 10.42% (10.38%)		
	Pharmaceuticals and Biotechnology 10.42% (10.38%)		
7,529	AstraZeneca	854,090	5.92
46,167	GSK	648,646	4.50
		1,502,736	10.42
	FINANCIALS 23.19% (21.62%)		
	Finance and Credit Services 5.96% (4.31%)		
7,138	London Stock Exchange	859,058	5.96
	Investment Banking and Brokerage Services 10.04% (8.85%)		
18,457	3i	720,377	5.00
30,660	Intermediate Capital	726,029	5.04
		1,446,406	10.04
	Closed End Investments 7.19% (8.46%)		
156,222	Allianz Technology	689,720	4.78
441,688	The Renewables Infrastructure	347,167	2.41
		1,036,887	7.19
	REAL ESTATE 3.39% (3.39%)		
	Real Estate Investment Trusts 3.39% (3.39%)		
68,233	Segro	489,367	3.39
	CONSUMER DISCRETIONARY 13.06% (16.00%)		
	Household Goods and Home Construction 3.49% (3.44%)		
418,543	Taylor Wimpey	503,089	3.49
	Leisure Goods 3.21% (2.20%)		
3,182	Games Workshop	462,981	3.21
	Media 6.36% (10.36%)		
18,652	RELX	750,743	5.21
43,236	YouGov*	166,459	1.15
		917,202	6.36
	CONSUMER STAPLES 10.47% (8.83%)		
	Beverages 1.90% (0.00%)		
11,307	Diageo	273,460	1.90

Portfolio Statement

continued

Holding	Security	Market value £	% of total net assets 2025
	Personal Care, Drug and Grocery Stores 8.57% (8.83%)		
9,264	Reckitt Benckiser	493,771	3.43
15,997	Unilever	740,981	5.14
		1,234,752	8.57
	INDUSTRIALS 23.20% (21.83%)		
	Construction and Materials 2.26% (2.87%)		
83,273	Genuit	326,014	2.26
	Aerospace and Defense 3.23% (0.00%)		
38,048	BAE Systems	465,517	3.23
	Electronic and Electrical Equipment 5.04% (4.26%)		
23,860	Halma	726,060	5.04
	General Industrials 0.00% (2.72%)		
	Industrial Support Services 12.67% (11.98%)		
169,915	Boku*	300,750	2.09
18,425	Experian	738,106	5.12
215,868	FRP Advisory*	290,342	2.01
124,566	Rentokil Initial	496,769	3.45
		1,825,967	12.67
	BASIC MATERIALS 5.10% (5.26%)		
	Industrial Metals and Mining 3.11% (2.98%)		
9,153	Rio Tinto	447,673	3.11
	Chemicals 1.99% (2.28%)		
8,600	Croda International	287,584	1.99
	Investment assets	14,045,428	97.43
	Net other assets	370,188	2.57
	Net assets	14,415,616	100.00

All investments are ordinary shares or stock units on a regulated securities market unless otherwise stated. The percentages in brackets show the equivalent % holdings as at 31.01.24.

*Quoted on AIM.

MI Charles Stanley Equity Fund

Comparative Tables

Change in net assets per share

A Income	31.01.25 p	31.01.24 p	31.01.23 p
Opening net asset value per share	213.48	200.20	215.68
Return before operating charges^	25.28	18.93	-9.74
Operating charges	-0.46	-0.40	-0.40
Return after operating charges^	24.82	18.53	-10.14
Distributions	-5.32	-5.25	-5.34
Closing net asset value per share	232.98	213.48	200.20
^After direct transaction costs of	-0.14	0.00	-0.02
Performance			
Return after charges	11.62%	9.26%	-4.70%
Other information			
Closing net asset value	£3,507,058	£3,523,545	£4,153,745
Closing number of shares	1,505,282	1,650,496	2,074,788
Operating charges*	0.20%	0.20%	0.20%
Direct transaction costs	0.06%	0.00%	0.01%
Prices			
Highest share price	238.33	216.42	219.86
Lowest share price	211.63	183.56	177.62

A Accumulation	31.01.25 p	31.01.24 p	31.01.23 p
Opening net asset value per share	304.68	278.59	292.34
Return before operating charges^	36.04	26.65	-13.21
Operating charges	-0.65	-0.56	-0.54
Return after operating charges^	35.39	26.09	-13.75
Distributions	-7.63	-7.35	-7.29
Retained distributions on accumulation shares	7.63	7.35	7.29
Closing net asset value per share	340.07	304.68	278.59
^After direct transaction costs of	-0.20	0.00	-0.03
Performance			
Return after charges	11.62%	9.37%	-4.70%
Other information			
Closing net asset value	£4,422,918	£4,571,030	£6,164,286
Closing number of shares	1,300,605	1,500,254	2,212,686
Operating charges*	0.20%	0.20%	0.20%
Direct transaction costs	0.06%	0.00%	0.01%
Prices			
Highest share price	343.81	305.29	298.04
Lowest share price	301.92	258.93	244.03

Comparative Tables

continued

Change in net assets per share

B Income	31.01.25 p	31.01.24 p	31.01.23 p
Opening net asset value per share	145.76	136.74	147.34
Return before operating charges [^]	17.26	12.88	-6.70
Operating charges	-1.47	-1.29	-1.27
Return after operating charges [^]	15.79	11.59	-7.97
Distributions	-2.53	-2.57	-2.63
Closing net asset value per share	159.02	145.76	136.74
[^] After direct transaction costs of	-0.09	0.00	-0.01
Performance			
Return after charges	10.84%	8.48%	-5.41%
Other information			
Closing net asset value	£459,262	£615,918	£611,641
Closing number of shares	288,808	422,549	447,299
Operating charges*	0.95%	0.95%	0.95%
Direct transaction costs	0.06%	0.00%	0.01%
Prices			
Highest share price	162.43	147.26	150.20
Lowest share price	144.46	125.16	121.15

B Accumulation	31.01.25 p	31.01.24 p	31.01.23 p
Opening net asset value per share	183.75	169.28	178.97
Return before operating charges [^]	21.77	16.08	-8.13
Operating charges	-1.87	-1.61	-1.56
Return after operating charges [^]	19.90	14.47	-9.69
Distributions	-3.21	-3.19	-3.20
Retained distributions on accumulation shares	3.21	3.19	3.20
Closing net asset value per share	203.65	183.75	169.28
[^] After direct transaction costs of	-0.12	0.00	-0.02
Performance			
Return after charges	10.83%	8.55%	-5.42%
Other information			
Closing net asset value	£6,026,378	£5,602,737	£5,987,115
Closing number of shares	2,959,244	3,049,043	3,536,845
Operating charges*	0.95%	0.95%	0.95%
Direct transaction costs	0.06%	0.00%	0.01%
Prices			
Highest share price	206.54	184.12	182.45
Lowest share price	182.04	156.49	148.62

*The Investment Manager currently rebates the Sub-fund's operating charges, including the Investment Manager's fee in order for them not to exceed 0.20% for A Class and 0.95% for B Class of the Net Asset Values of the Sub-fund.

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 Financial Statements of 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 Charles Stanley Equity 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.



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:

- Bond values are affected by changes in interest rates, inflation and any decline in creditworthiness of the bond issuer. Bonds that produce a higher level of income usually also carry greater risk as such bond issuers may not be able to pay the bond income as promised or could fail to repay the capital amount used to purchase the bond.
- For funds investing globally, currency exchange rate fluctuations may have a positive or negative impact on the value of your investment.
- The Sub-fund invests into other funds which themselves invest in assets such as bonds, company shares, cash and currencies. The objectives and risk profiles of these underlying funds may not be fully in line with those of this Sub-fund.
- 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.
- 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 January 2025

	Note	£	31.01.25 £	£	31.01.24 £
Income					
Net capital gains	2		1,286,899		837,998
Revenue	3	367,647		421,581	
Expenses	4	(72,535)		(70,042)	
Net revenue before taxation		295,112		351,539	
Taxation	5	–		–	
Net revenue after taxation			295,112		351,539
Total return before distributions			1,582,011		1,189,537
Distributions	6		(293,541)		(348,722)
Change in net assets attributable to Shareholders from investment activities			1,288,470		840,815

Statement of Change in Net Assets Attributable to Shareholders

for the year ended 31 January 2025

	£	31.01.25 £	£	31.01.24 £
Opening net assets attributable to Shareholders		14,313,230		16,916,787
Amounts receivable on issue of shares	2,089,317		1,537,236	
Less: Amounts payable on cancellation of shares	(3,472,254)		(5,199,763)	
		(1,382,937)		(3,662,527)
Change in net assets attributable to Shareholders from investment activities (see Statement of Total Return above)		1,288,470		840,815
Retained distributions on accumulation shares		196,853		218,155
Closing net assets attributable to Shareholders		14,415,616		14,313,230

The notes on pages 21 to 26 form an integral part of these Financial Statements.

MI Charles Stanley Equity Fund

Balance Sheet

as at 31 January 2025

	Note	£	31.01.25 £	£	31.01.24 £
ASSETS					
Fixed Assets					
Investments			14,045,428		14,191,523
Current Assets					
Debtors	7	28,606		39,790	
Cash and bank balances	9	441,557		166,819	
Total current assets			470,163		206,609
Total assets			14,515,591		14,398,132
LIABILITIES					
Creditors					
Distribution payable		(41,217)		(46,526)	
Other creditors	8	(58,758)		(38,376)	
Total creditors			(99,975)		(84,902)
Total liabilities			(99,975)		(84,902)
Net assets attributable to Shareholders			14,415,616		14,313,230

The notes on pages 21 to 26 form an integral part of these Financial Statements.

Notes to the Financial Statements

for the year ended 31 January 2025

1. Accounting Policies

The Sub-fund's Financial Statements have been prepared on the same basis as the Accounting Policies stated on pages 8 and 9.

2. Net Capital Gains

	31.01.25 £	31.01.24 £
Non-derivative securities	1,291,409	843,883
Transaction charges	(4,510)	(5,885)
Net capital gains	1,286,899	837,998

3. Revenue

	31.01.25 £	31.01.24 £
UK dividends	329,536	387,911
Overseas dividends	15,398	21,382
Property income distributions	10,520	5,449
Bank interest	12,193	6,839
Total revenue	367,647	421,581

4. Expenses

	31.01.25 £	31.01.24 £
Payable to the Authorised Corporate Director ('ACD'), associates of the ACD and agents of either of them:		
Registration fees	15,003	14,997
Payable to the Investment Manager, associates of the Investment Manager and agents of either of them:		
Investment Manager's fee	48,205	46,321
Payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary's fee (including VAT)	11,998	12,000
Safe custody and other bank charges	2,994	1,611
	14,992	13,611
Auditor's remuneration*:		
Audit fee	10,870	10,870
Tax compliance services	2,350	2,347
	13,220	13,217
Other expenses:		
Legal fees	2,653	6,902
Listing fees	6,365	6,180
Printing costs	1,886	1,859
	10,904	14,941

Notes to the Financial Statements

continued

4. Expenses (continued)

	31.01.25 £	31.01.24 £
Rebates:		
Operating charge rebates^	(29,789)	(33,045)
Total expenses	72,535	70,042

*Included within the auditor's remuneration is irrecoverable VAT of £2,203 (2024: £2,203).

^The Investment Manager currently rebates the Sub-fund's operating charges, including the Investment Manager's fee in order for them not to exceed 0.20% for A Class and 0.95% for B Class of the Net Asset Values of the Sub-fund.

5. Taxation

	31.01.25 £	31.01.24 £
(a) Analysis of charge in the year:		
Adjustments in respect of prior periods	-	-
Total tax charge (note 5b)	-	-
(b) Factors affecting taxation charge for the year:		
Net revenue before taxation	295,112	351,539
Corporation tax at 20%	59,022	70,308
Effects of:		
UK dividends	(65,906)	(77,582)
Expenses not deductible for tax purposes	-	(565)
Movement in surplus management expenses	9,964	12,115
Non-taxable overseas earnings	(3,080)	(4,276)
Total tax charge (note 5a)	-	-

(c) Deferred tax

At the year end there is a potential deferred tax asset of £368,124 (2024: £358,160) in relation to surplus management expenses of £1,840,618 (2024: £1,790,798). 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.

6. Distributions

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

		31.01.25 £	31.01.24 £
Interim distribution	31.07.24	153,946	174,507
Final distribution	31.01.25	132,130	145,466
		286,076	319,973
Revenue deducted on cancellation of shares		20,920	40,259
Revenue received on issue of shares		(13,455)	(11,510)
Distributions		293,541	348,722

Notes to the Financial Statements

continued

6. Distributions (continued)

	31.01.25 £	31.01.24 £
Reconciliation of net revenue after taxation to net distributions:		
Net revenue after taxation per Statement of Total Return	295,112	351,539
Expenses allocated to capital	(1,963)	(2,819)
Capital corporation tax adjustment	393	–
Undistributed revenue brought forward	2	4
Undistributed revenue carried forward	(3)	(2)
Distributions	293,541	348,722

7. Debtors

	31.01.25 £	31.01.24 £
Amounts receivable on issues	45	19,901
Accrued income:		
Bank interest receivable	–	569
Dividends receivable	10,336	8,986
Operating charge rebates	17,529	9,626
Prepaid expenses:		
Legal fees	696	708
Total debtors	28,606	39,790

8. Other Creditors

	31.01.25 £	31.01.24 £
Amounts payable on cancellations	33,917	15,304
Accrued expenses:		
Amounts payable to the Authorised Corporate Director ('ACD'), associates of the ACD and agents of either of them:		
Registration fee	1,274	1,270
Amounts payable to the Investment Manager, associates of the Investment Manager and agents of either of them:		
Investment Manager's fee	3,989	3,874
Amounts payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary's fee (including VAT)	3,017	2,038
Safe custody and other bank charges	3,476	1,644
	6,493	3,682
Auditor's remuneration*:		
Audit fee	10,870	10,870
Tax compliance services	1,174	2,347
	12,044	13,217

MI Charles Stanley Equity Fund

Notes to the Financial Statements

continued

8. Other Creditors (continued)

	31.01.25 £	31.01.24 £
Other accrued expenses:		
Printing costs	1,041	1,029
Total other creditors	58,758	38,376

*Included within the auditor's remuneration is irrecoverable VAT of £2,007 (2024: £2,203).

9. Cash and Bank Balances

	31.01.25 £	31.01.24 £
Cash and bank balances	441,557	166,819
Cash and bank balances	441,557	166,819

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 Charles Stanley & Co 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 share and dilution levy (if applicable) 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.

Amounts receivable from the Investment Manager for operating charge rebates are disclosed in note 4, and amounts due at the year end are shown in note 7.

At the year end the Sub-fund did not hold shares in any of the other Sub-funds within the MI Charles Stanley Investment Funds II.

11. Contingent Liabilities and Outstanding Commitments

There were no contingent liabilities or outstanding commitments at the balance sheet date (2024: 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 10 and 11.

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 £1,404,543 (2024: £1,419,152).

Currency risk

There is no material direct foreign currency exposure in the Sub-fund (2024: none).

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.

Notes to the Financial Statements

continued

13. Portfolio Transaction Costs

31.01.25

Analysis of purchases	Total purchase cost £	Commissions paid £	Commissions paid %	Taxes £	Taxes %	Purchases before transaction cost £
Equities	2,585,197	572	0.02	8,201	0.32	2,576,424
Total purchases after commissions and tax	2,585,197					

Analysis of sales	Net sale proceeds £	Commissions paid £	Commissions paid %	Taxes £	Taxes %	Sales before transaction cost £
Equities	4,022,702	–	0.00	57	0.00	4,022,759
Total sales after commissions and tax	4,022,702					

Commission as a % of average net assets	0.00%
Taxes as a % of the average net assets	0.06%

31.01.24

Analysis of purchases	Total purchase cost £	Commissions paid £	Commissions paid %	Taxes £	Taxes %	Purchases before transaction cost £
Equities	149,702	–	0.00	2	0.00	149,700
Total purchases after commissions and tax	149,702					

Analysis of sales	Net sale proceeds £	Commissions paid £	Commissions paid %	Taxes £	Taxes %	Sales before transaction cost £
Equities	3,481,743	–	0.00	80	0.00	3,481,823
Total sales after commissions and tax	3,481,743					

Commission as a % of average net assets	0.00%
Taxes as a % of the average net assets	0.00%

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 to 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 January 2025 is 0.13% (2024: 0.24%).

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	31.01.25		31.01.24	
	Assets £	Liabilities £	Assets £	Liabilities £
Level 1^	14,045,428	–	14,191,523	–
Level 2^^	–	–	–	–
Level 3^^^	–	–	–	–
	14,045,428	–	14,191,523	–

^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.

17. Shares in Issue

	A Income	A Accumulation	B Income	B Accumulation
Opening number of shares	1,650,496	1,500,254	422,549	3,049,043
Shares issued	21,280	482,962	39,137	220,011
Shares cancelled	(164,323)	(683,015)	(176,066)	(309,135)
Shares converted	(2,171)	404	3,188	(675)
Closing number of shares	1,505,282	1,300,605	288,808	2,959,244

Distribution Tables

for the year ended 31 January 2025

Income Share Distributions

Share class	Distribution	Shares	Net revenue p	Equalisation p	Distribution paid/payable 2025 p	Distribution paid 2024 p
A	Interim	Group 1	2.8005	–	2.8005	2.7429
		Group 2	1.6293	1.1712	2.8005	2.7429
	Final	Group 1	2.5155	–	2.5155	2.5110
		Group 2	–	2.5155	2.5155	2.5110
B	Interim	Group 1	1.3661	–	1.3661	1.3648
		Group 2	0.3670	0.9991	1.3661	1.3648
	Final	Group 1	1.1604	–	1.1604	1.2027
		Group 2	0.5931	0.5673	1.1604	1.2027

Accumulation Share Distributions

Share class	Distribution	Shares	Net revenue p	Equalisation p	Amount reinvested 2025 p	Amount reinvested 2024 p
A	Interim	Group 1	3.9928	–	3.9928	3.8030
		Group 2	2.0099	1.9829	3.9928	3.8030
	Final	Group 1	3.6336	–	3.6336	3.5431
		Group 2	1.3178	2.3158	3.6336	3.5431
B	Interim	Group 1	1.7300	–	1.7300	1.6887
		Group 2	0.5547	1.1753	1.7300	1.6887
	Final	Group 1	1.4752	–	1.4752	1.5016
		Group 2	0.2090	1.2662	1.4752	1.5016

Further information

Interim period: 01.02.24 - 31.07.24

Final period: 01.08.24 - 31.01.25

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 Charles Stanley Monthly High Income Fund

Investment Objective and Policy

The investment objective of the Sub-fund is to generate a high income with the potential for capital growth from a portfolio consisting predominantly of UK bonds, government securities, high yielding equities and preference shares. There may be occasions when the Investment Manager chooses to hold Collective Investment Schemes and a high level of cash and money market instruments.

The Sub-fund has no benchmark. The aim is to produce the highest income from a low risk portfolio. The Sub-fund has “distribution fund” status which requires at least 60% to be invested in gilts and corporate bonds. The aim is to keep comfortably above this level through active management and to invest the balance in preference shares, equity collectives and individual equities where underlying companies have a good record of prudent management and rising dividend payments.

Investment Manager's Report

for the year ended 31 January 2025

General Market Commentary & Outlook

The FTSE 100 hit a new all-time high at the end of January, boosted by some solid earnings reports, a stronger dollar and takeover talk. However, US markets put in a more subdued performance as the valuation of companies exposed to the artificial intelligence ('AI') sector fell from a peak in December.

Major US technology shares were hit by news that Chinese group DeepSeek had developed an AI system that it claimed is as powerful as those developed in the West, but at a fraction of the cost. After AI companies saw their valuations swell in 2024 on optimism over prospects for the nascent technology, concerns mounted that businesses were overspending. However, Mark Zuckerberg, chief executive of Meta Platforms, which has heavily invested in AI, said the company will not slow spending. He argued that investing in AI infrastructure will be a strategic advantage over time.

Donald Trump was inaugurated as US president in January after he won a majority in both chambers of Congress in the November 2024 election. He immediately released a flurry of Executive Orders, many of which involved reversing climate initiatives. These included the US's immediate withdrawal from the Paris Agreement on climate change and a promise to "drill, baby, drill" to increase the country's output of oil and gas.

Mr Trump repealed a 2023 memo from predecessor Joe Biden barring oil drilling in 16 million acres in the Arctic. The new president promised to fill up strategic oil reserves and export US energy all over the world. He also revoked a Biden order that sought to ensure half of all new vehicles sold in the US by 2030 were electric.

Equity markets have also been impacted by a note of caution over the pace of US interest rate cuts during 2025 following comments by senior Federal Reserve policymakers in December. The US central bank is now projecting just two interest rate cuts over 2025, as inflation has remained stubborn – and several of Mr Trump's policies are likely to contribute to inflation, should they be implemented in full.

The new president threatened to raise tariffs of 25% on Mexican and Canadian goods from 4 February, as he targets illegal immigration and drug smuggling. However, he postponed introducing the trade barriers for a month just before implementation. The 10% additional tariff on Chinese goods was not postponed. Also proposed are mass deportations from the US that will make low-skilled workers scarce, and tax cuts that are likely to increase or support consumer spending. Some tariffs against European goods are expected, but the UK – so far – has escaped being involved in the initial round of his trade conflict.

UK interest rates were kept unchanged in December following Labour's Budget statement, its first in 15 years, which was interpreted by markets as inflationary because spending is frontloaded, and tax rises come later. Businesses are also subject to an increase in employee National Insurance ('NI') contributions, which could mean price rises for consumers and issues in the jobs market as companies attempt to recoup these extra costs.

UK Chancellor Rachel Reeves defended her tax-hiking Budget saying that, without the changes to NI, the government would have lost control of the economy. This followed sharp moves in bond markets after the statement was issued, which increased government borrowing costs. Ms Reeves unveiled a series of measures aimed at boosting growth, saying they would add £78bn to the UK economy in the next 10 years.

The European Central Bank cut interest rates in December and January, making four cuts so far in its easing cycle. Inflation is now at its target level, although the Eurozone economy remains weak. Fourth quarter company earnings have generally been supportive of equity markets, but only about one third of businesses have issued statements so far.

Donald Trump's policy intentions have created some uncertainty over the outlook for inflation and growth in the US, but it is still expected to engineer a soft economic landing. Although evidence of a slowdown has emerged in the UK, there is nothing yet to suggest the slowdown could morph into a recession.

Investment Manager's Report

continued

Investment Review

The Sub-fund posted a +0.5% total return over the last six months compared to +3.0% total return for the IA Mixed Investment 0-35%. Over the full year period, the Sub-fund returned +6.1% against a +6.8% return for the IA Mixed Investment 0-35%.

(Source: Financial Express Analytics, C Income as at 31 Jan 2025, pounds sterling, net income re-invested).

The top performers over the 12-month period came from 3i, DS Smith, and Tritax Eurobox, which posted total returns of 60.5%, 48.3%, and 44.2% respectively. We were pleased to see 3i post strong figures in its half-yearly report in November. Strong total returns on equity, an increase in NAV per share, and higher dividends were well received by the market. In particular, the Group showed strong growth in Action, its discount retailer, which is the largest holding in the portfolio. We continue to like the holding and believe it can offer a good mix of income and compounded capital returns over time. Elsewhere, European logistics real estate assets manager Tritax Eurobox benefited from a potential cash offer from Brookfield Asset Management. In the third quarter, Eurobox rallied further as Segro came through with a more lucrative bid. DS Smith, the packaging services company, rallied when larger US rival International Paper Co made a formal offer for the company.

The biggest detractors from performance were Vistry, the Renewables Infrastructure, and Foresight Solar, which posted total returns of -40.5%, -22.1%, and -18.6% respectively. During the year, the new Labour Government unveiled ambitious plans regarding homebuilding, outlined in the Autumn Budget in October. The budget included plans to spend £5bn on housing investment in 2025-26 to increase affordable housing, boosting the current budget by £500m and allocating £1bn to expedite the remediation of unsafe housing stemming from the Grenfell Tower report. While we believe this will ultimately benefit the home builders we hold, we saw Vistry shares fall significantly. This decline was in response to consecutive profit warnings, where they cited key issues such as delays in development completions and transactions, and a drop in the number of proposed deals. This followed a review of operations in its South division, which determined that build costs had been underestimated, weighing on estimated profits. We still like Vistry's partnerships model and, for now, are holding the position. The infrastructure trusts in the UK market have continued to struggle in the higher-for-longer interest rate environment, which has led to some pressure on Net Asset Values ('NAV'). Despite this, technical factors in the market have led to poor share price performance, with the share price trading significantly lower than the NAV would otherwise imply.

With interest rates significantly higher than they were a few years ago, we feel that many of the names in the portfolio are offering attractive yields for Shareholders, and therefore we have not made significant changes beyond managing liquidity from redemptions/subscriptions. The rise in interest rates has continued to bolster the attractiveness of UK Government Bonds. To us, this is a compelling opportunity to buy 'safe haven' assets that are offering attractive returns without needing to increase the credit risk in the portfolio. Accordingly, we have been adding to the UK government bond exposure, which offers high credit quality, attractive income, and ample liquidity. We exited Tritax Eurobox, following the successful bids for the entire outstanding equity.

We also tendered our position in RSA Insurance preference shares and the National Grid Senior 2024 bonds matured in December. These proceeds were used to manage the liquidity of the Sub-fund and add to the UK government bond position as discussed earlier. We also tendered a bit more than half of our EDF ('Électricité de France') perpetual position and reinvested it into the EDF 2035 bullet bond, which allowed us to reposition our aggregate exposure to the issuer. We invested in the Blackrock Continental European Income Fund (hedged), which offered diversified geographical equity income exposure. Following the acquisition agreement from International Paper Co, we exited our position in DS Smith, which at the time was trading above the offer price. Investors were to be compensated with stock for the US-listed combined company, and as such, we felt it was an opportune time to exit the holding and reinvest elsewhere.

MI Charles Stanley Monthly High Income Fund

Portfolio Statement

as at 31 January 2025

Holding	Security	Market value £	% of total net assets 2025
Pound Sterling Denominated Corporate Debt Securities 59.00% (63.62%)			
£650,000	3i 3.75% 05.06.40	496,158	1.19
£400,000	ABN AMRO 5.1250% 22.02.28	403,556	0.97
£800,000	Abrdn 5.25% Variable Perpetual	757,528	1.82
£300,000	Aviva 4% 03.06.55	248,952	0.60
£300,000	Aviva 6.125% 12.09.54	297,651	0.71
£300,000	Barclays 3.25% 12.02.27	290,565	0.70
£300,000	Barclays 3.25% 17.01.33	256,176	0.61
£600,000	BAT International Finance 4% 04.09.26	591,270	1.42
£450,000	BAT International Finance 6% 24.11.34	456,881	1.10
£300,000	BP Capital Markets 4.25% 22.03.27	291,084	0.70
£700,000	Brit Insurance 6.625% Variable 09.12.30	590,205	1.41
£800,000	Bupa Finance 4% Variable Perpetual	628,768	1.51
£500,000	Bupa Finance 5% 08.12.26	499,715	1.20
£600,000	Citigroup 4.5% 03.03.31	569,436	1.37
£500,000	Daily Mail & General 6.375% 21.06.27	488,300	1.17
£200,000	Direct line Insurance 4% 05.06.32	176,968	0.42
£500,000	Direct Line Insurance 4.75% Variable Perpetual	473,500	1.13
£400,000	Electricite De France 5.5% Variable Perpetual	387,764	0.93
£300,000	Electricite De France 6% Variable Perpetual	299,322	0.72
£700,000	Electricite De France Variable Perpetual	680,015	1.63
£300,000	European Investment Bank 3.875% 12.04.28	296,838	0.71
£300,000	Experian Finance 3.25% 07.04.32	270,543	0.65
£500,000	Hiscox 6.125% Variable 24.11.45	501,730	1.20
£500,000	HJ Heinz Finance UK 6.25% 18.02.30	519,400	1.25
£400,000	Iceland Bondco 4.375% 15.05.28	356,148	0.85
£600,000	IG Group Holdings 3.125% 18.11.28	535,692	1.28
£650,000	Imperial Brands Finance 4.875% 07.06.32	617,877	1.48
£300,000	Investec 9.125% 06.03.33	323,991	0.78
£400,000	Jupiter Fund Management 8.875% Variable 27.07.30	401,832	0.96
£600,000	Leeds Building Society 3.75% 25.04.29	562,788	1.35
£600,000	Legal & General 5.375% 27.10.45	600,036	1.44
£500,000	Legal & General Variable 14.11.48	495,655	1.19
£300,000	Lloyds Banking 6.625% 02.06.33	309,447	0.74
£454,000	London Victoria Friendly Society 6.5% 22.05.43	458,245	1.10
£300,000	McDonalds 2.95% 15.03.34	253,374	0.61
£600,000	M&G Variable 20.07.55	552,954	1.33
£500,000	National Westminster 3.622% Variable 14.08.30	497,260	1.19
£200,000	Nationwide Building Society 5.75% Variable Perpetual	195,970	0.47
£550,000	Nationwide Building Society 5.769% Variable Perpetual	540,634	1.30
£500,000	NGG Finance 5.625% 18.06.73	498,850	1.20
£500,000	Pension Insurance 5.625% 20.09.30	487,424	1.17
£500,000	Pension Insurance 7.375% Variable Perpetual	504,480	1.21
£500,000	Pinewood Finance 3.625% 15.11.27	472,845	1.13
£300,000	Quilter 8.625% 18.04.33	321,888	0.77
£500,000	Reassure 5.867% 13.06.29	502,280	1.20
£800,000	RL Finance No.4 4.875% Variable 07.10.49	650,296	1.56
£400,000	Sainsbury's Bank 10.5% 12.03.33	454,076	1.09
£300,000	Segro 2.375% 11.10.29	269,994	0.65
£500,000	Society of Lloyds 4.875% Variable 07.02.47	494,590	1.19
£700,000	The Berkeley Group 2.5% 11.08.31	565,614	1.36
£300,000	The Goldman Sachs Group 3.625% 29.10.29	286,779	0.69

Portfolio Statement

continued

Holding	Security	Market value £	% of total net assets 2025
Pound Sterling Denominated Corporate Debt Securities (continued)			
£500,000	TP ICAP Finance 7.875% 17.04.30	535,105	1.28
£300,000	Unite 3.5% 15.10.28	285,369	0.68
£700,000	VMED O2 UK Finance 4.5% 15.07.31	601,006	1.44
£500,000	Vodafone Variable 03.10.78	497,050	1.19
		24,601,874	59.00
Pound Sterling Denominated Government Debt Securities 7.68% (0.71%)			
£600,000	UK Treasury 3.25% 31.01.33	552,540	1.32
£400,000	UK Treasury 3.75% 07.03.27	396,164	0.95
£600,000	UK Treasury 4% 22.10.31	587,772	1.41
£200,000	UK Treasury 4.125% 29.01.27	199,646	0.48
£300,000	UK Treasury 4.25% 07.06.32	298,746	0.72
£700,000	UK Treasury 4.25% 31.07.34	684,579	1.64
£500,000	UK Treasury 4.25% 07.03.36	482,915	1.16
		3,202,362	7.68
Preference Shares 3.86% (4.44%)			
300,000	Bristol Water 8.75% ccrp	388,500	0.93
371,783	Ecclesiastical Insurance 8.625% ncip	492,612	1.18
382,000	Northern Electric 8.061% cip	458,400	1.10
250,000	Standard Chartered 7.375% ncip	271,750	0.65
		1,611,262	3.86
UK Equities 10.93% (13.09%)			
34,712	BAE Systems	424,701	1.02
72,805	BP	307,419	0.74
20,480	GSK	287,744	0.69
20,599	Intermediate Capital	487,784	1.17
182,700	Legal & General	442,682	1.06
33,850	National Grid	331,662	0.80
70,966	Phoenix	370,797	0.89
6,861	Rio Tinto	335,572	0.80
23,600	SSE	384,916	0.92
282,859	Taylor Wimpey	339,997	0.82
8,625	Unilever	399,510	0.96
36,350	Vistry	217,555	0.52
330,000	Vodafone	226,710	0.54
		4,557,049	10.93
Investment Funds 16.55% (15.93%)			
12,838	3i	501,067	1.20
484,721	BlackRock Continental European Income - D Hedged Income	727,275	1.75
681,251	Foresight Solar	480,282	1.15
485,984	Greencoat UK Wind	584,639	1.40
462,000	HICL Infrastructure	522,060	1.25
522,555	Impact Healthcare REIT	446,785	1.07
427,000	International Public Partnerships	481,656	1.16
1,090,909	Schroder Asian Income - L Income GBP*	872,727	2.09
1,130,500	Sequoia Economic Infrastructure Income	873,877	2.10
609,000	Supermarket Income REIT	411,075	0.99

MI Charles Stanley Monthly High Income Fund

Portfolio Statement

continued

Holding	Security	Market value £	% of total net assets 2025
Investment Funds (continued)			
502,983	The Renewables Infrastructure	395,345	0.95
196,600	TR Property	601,595	1.44
		6,898,383	16.55
Investment assets		40,870,930	98.02
Net other assets		824,838	1.98
Net assets		41,695,768	100.00

All investments are ordinary shares or stock units on a regulated securities market unless otherwise stated. The percentages in brackets show the equivalent % holdings as at 31.01.24.

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

Glossary

ccrp	cumulative convertible redeemable preference
cip	cumulative irredeemable preference
ncip	non-cumulative irredeemable preference

	Market value £	% of total net assets 2025	% of total net assets 2024
Analysis of bonds by credit rating[^]			
Investment grade (BBB- and above)	20,599,371	49.40	41.06
Non Investment grade (BB+ and below)	4,932,751	11.83	13.11
Unrated bonds	2,272,114	5.45	10.16
	27,804,236	66.68	64.33

[^]Source: NTISL

Comparative Tables

Change in net assets per share

A Income	31.01.25 p	31.01.24 p	31.01.23 p
Opening net asset value per share	81.16	82.04	91.02
Return before operating charges [^]	5.75	4.23	-3.87
Operating charges	-0.92	-0.88	-1.04
Return after operating charges [^]	4.83	3.35	-4.91
Distributions	-4.36	-4.23	-4.07
Closing net asset value per share	81.63	81.16	82.04
[^] After direct transaction costs of	0.02	-0.01	0.00
Performance			
Return after charges	5.95%	4.08%	-5.40%
Other information			
Closing net asset value	£2,042,569	£2,251,312	£2,677,425
Closing number of shares	2,502,236	2,773,929	3,263,448
Operating charges ^{‡*}	1.11%	1.10%	1.23%
Direct transaction costs	-0.02%	0.01%	0.00%
Prices			
Highest share price	85.45	83.62	91.74
Lowest share price	80.49	76.49	75.74

A Accumulation	31.01.25 p	31.01.24 p	31.01.23 p
Opening net asset value per share	180.45	173.05	182.93
Return before operating charges [^]	12.95	9.29	-7.75
Operating charges	-2.09	-1.89	-2.13
Return after operating charges [^]	10.86	7.40	-9.88
Distributions	-9.88	-9.10	-8.32
Retained distributions on accumulation shares	9.88	9.10	8.32
Closing net asset value per share	191.31	180.45	173.05
[^] After direct transaction costs of	0.04	-0.02	0.00
Performance			
Return after charges	6.02%	4.28%	-5.40%
Other information			
Closing net asset value	£594,331	£224,652	£309,203
Closing number of shares	310,658	124,493	178,680
Operating charges ^{‡*}	1.11%	1.10%	1.23%
Direct transaction costs	-0.02%	0.01%	0.00%
Prices			
Highest share price	194.69	181.36	184.38
Lowest share price	178.96	164.25	156.37

MI Charles Stanley Monthly High Income Fund

Comparative Tables

continued

Change in net assets per share

B Income	31.01.25 p	31.01.24 p
Opening net asset value per share	101.18	100.00 [†]
Return before operating charges [^]	7.49	5.69
Operating charges	-0.63	-0.59
Return after operating charges [^]	6.86	5.10
Distributions	-5.44	-3.92
Closing net asset value per share	102.60	101.18
[^] After direct transaction costs of	0.02	-0.01
Performance		
Return after charges	6.78%	5.11%
Other information		
Closing net asset value	£142,405	£11,540
Closing number of shares	138,778	11,405
Operating charges ^{‡*}	0.11%	0.60%
Direct transaction costs	-0.02%	0.01%
Prices		
Highest share price	106.99	103.33
Lowest share price	100.38	95.03

C Income	31.01.25 p	31.01.24 p	31.01.23 p
Opening net asset value per share	84.41	85.11	94.38
Return before operating charges [^]	6.01	4.39	-4.19
Operating charges	-0.74	-0.70	-0.86
Return after operating charges [^]	5.27	3.69	-5.05
Distributions	-4.54	-4.39	-4.22
Closing net asset value per share	85.14	84.41	85.11
[^] After direct transaction costs of	0.02	-0.01	0.00
Performance			
Return after charges	6.24%	4.34%	-5.35%
Other information			
Closing net asset value	£30,578,031	£35,615,944	£40,496,343
Closing number of shares	35,915,411	42,194,897	47,579,834
Operating charges ^{‡*}	0.86%	0.85%	0.98%
Direct transaction costs	-0.02%	0.01%	0.00%
Prices			
Highest share price	89.01	86.75	95.13
Lowest share price	83.72	79.43	78.52

Comparative Tables

continued

C Accumulation	31.01.25 p	31.01.24 p	31.01.23 p
Opening net asset value per share	134.72	128.87	136.17
Return before operating charges [^]	9.67	6.94	-6.04
Operating charges	-1.21	-1.09	-1.26
Return after operating charges [^]	8.46	5.85	-7.30
Distributions	-7.38	-6.77	-6.19
Retained distributions on accumulation shares	7.38	6.77	6.19
Closing net asset value per share	143.18	134.72	128.87
[^] After direct transaction costs of	0.03	-0.01	0.00
Performance			
Return after charges	6.28%	4.54%	-5.36%
Other information			
Closing net asset value	£8,338,433	£5,974,145	£5,017,202
Closing number of shares	5,823,818	4,434,533	3,893,185
Operating charges ^{‡*}	0.86%	0.85%	0.98%
Direct transaction costs	-0.02%	0.01%	0.00%
Prices			
Highest share price	145.57	135.36	137.26
Lowest share price	133.62	122.45	116.36

[†]B Income shareclass launched on 2 May 2023.

[‡]From 31 October 2023, as a result of changes to guidance, Closed-Ended funds are not included within the synthetic ongoing charges.

^{*}The Investment Manager currently rebates the Sub-fund's operating charges, including the Investment Manager's fee, but excluding synthetic charges (0.03% of operating charge) in order for them not to exceed 1.08% for A Class, 0.08% for B Class, and 0.83% for C Class of the Net Asset Values of the Sub-fund.

Operating charges include indirect costs incurred in the maintenance and running of the Sub-fund, as disclosed (but not limited to) the detailed expenses within the Statement of Total Return. Included within this figure are the charges of the underlying Funds (synthetic ongoing charge). The figures used within this table have been calculated 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 Charles Stanley Monthly High 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 4 because funds of this type have experienced average 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:

- The level of income targeted by the Sub-fund is not guaranteed.
- Bond values are affected by changes in interest rates, inflation and any decline in creditworthiness of the bond issuer. Bonds that produce a higher level of income usually also carry greater risk as such bond issuers may not be able to pay the bond income as promised or could fail to repay the capital amount used to purchase the bond.
- For funds investing globally, currency exchange rate fluctuations may have a positive or negative impact on the value of your investment.
- The Sub-fund invests into other funds which themselves invest in assets such as bonds, company shares, cash and currencies. The objectives and risk profiles of these underlying funds may not be fully in line with those of this Sub-fund.
- 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 January 2025

	Note	£	31.01.25 £	£	31.01.24 £
Income					
Net capital gains/(losses)	2		738,392		(219,213)
Revenue	3	2,365,393		2,484,488	
Expenses	4	(375,488)		(386,370)	
Interest payable and similar charges	4	(207)		–	
Net revenue before taxation		1,989,698		2,098,118	
Taxation	5	(19,021)		(21,808)	
Net revenue after taxation			1,970,677		2,076,310
Total return before distributions			2,709,069		1,857,097
Distributions	6		(2,346,153)		(2,462,702)
Change in net assets attributable to Shareholders from investment activities			362,916		(605,605)

Statement of Change in Net Assets Attributable to Shareholders

for the year ended 31 January 2025

	£	31.01.25 £	£	31.01.24 £
Opening net assets attributable to Shareholders		44,077,593		48,500,173
Amounts receivable on issue of shares	7,529,687		6,722,776	
Less: Amounts payable on cancellation of shares	(10,696,397)		(10,868,347)	
		(3,166,710)		(4,145,571)
Dilution levy		10,382		–
Change in net assets attributable to Shareholders from investment activities (see Statement of Total Return above)		362,916		(605,605)
Retained distributions on accumulation shares		411,587		328,596
Closing net assets attributable to Shareholders		41,695,768		44,077,593

The notes on pages 39 to 46 form an integral part of these Financial Statements.

MI Charles Stanley Monthly High Income Fund

Balance Sheet

as at 31 January 2025

	Note	£	31.01.25 £	£	31.01.24 £
ASSETS					
Fixed Assets					
Investments			40,870,930		43,102,598
Current Assets					
Debtors	7	633,389		693,212	
Cash and bank balances	9	839,781		863,994	
Total current assets			1,473,170		1,557,206
Total assets			42,344,100		44,659,804
LIABILITIES					
Creditors					
Distribution payable		(476,996)		(494,938)	
Other creditors	8	(171,336)		(87,273)	
Total creditors			(648,332)		(582,211)
Total liabilities			(648,332)		(582,211)
Net assets attributable to Shareholders			41,695,768		44,077,593

The notes on pages 39 to 46 form an integral part of these Financial Statements.

Notes to the Financial Statements

for the year ended 31 January 2025

1. Accounting Policies

The Sub-fund's Financial Statements have been prepared on the same basis as the Accounting Policies stated on pages 8 and 9.

2. Net Capital Gains/(Losses)	31.01.25	31.01.24
	£	£
Non-derivative securities	738,918	(213,017)
Currency gains/(losses)	–	(148)
Transaction charges	(526)	(6,048)
Net capital gains/(losses)	738,392	(219,213)

3. Revenue	31.01.25	31.01.24
	£	£
UK dividends	315,391	506,043
Overseas dividends	297,508	203,893
Property income distributions	95,108	109,040
Distributions from Regulated Collective Investment Schemes:		
UK investment income	34,951	47,405
Interest distributions	–	15,374
Interest on debt securities	1,590,042	1,551,597
Bank interest	32,393	26,074
Interest distributions from other investment funds	–	25,062
Total revenue	2,365,393	2,484,488

4. Expenses	31.01.25	31.01.24
	£	£
Payable to the Authorised Corporate Director ('ACD'), associates of the ACD and agents of either of them:		
Registration fees	32,492	30,671
Payable to the Investment Manager, associates of the Investment Manager and agents of either of them:		
Investment Manager's fee	340,452	355,283
Payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary's fee (including VAT)	11,997	12,084
Safe custody and other bank charges	4,059	4,661
	16,056	16,745
Auditor's remuneration*:		
Audit fee	10,870	10,870
Tax compliance services	2,350	2,348
	13,220	13,218

MI Charles Stanley Monthly High Income Fund

Notes to the Financial Statements

continued

4. Expenses (continued)

	31.01.25 £	31.01.24 £
Other expenses:		
Legal fees	3,958	7,404
Printing costs	4,388	4,307
	8,346	11,711
Rebates:		
Operating charge rebates^	(35,078)	(41,258)
Expenses	375,488	386,370
Interest payable and similar charges	207	–
Total	375,695	386,370

*Included within the auditor's remuneration is irrecoverable VAT of £2,203 (2024: £2,203).

^The Investment Manager currently rebates the Sub-fund's operating charges, including the Investment Manager's fee, but excluding synthetic ongoing charges (0.03% of operating charge) in order for them not to exceed 1.08% for A Class, 0.08% for B Class, and 0.83% for C Class of the Net Asset Values of the Sub-fund.

5. Taxation

	31.01.25 £	31.01.24 £
(a) Analysis of charge in the year:		
Corporation tax at 20%	19,021	21,808
Total tax charge (note 5b)	19,021	21,808
(b) Factors affecting taxation charge for the year:		
Net revenue before taxation	1,989,698	2,098,118
Corporation tax at 20%	397,940	419,624
Effects of:		
UK dividends	(70,068)	(110,690)
Interest distributions	(249,349)	(246,347)
Non-taxable overseas earnings	(59,502)	(40,779)
Total tax charge (note 5a)	19,021	21,808

(c) Deferred tax

There was no liability to deferred tax at the balance sheet date (2024: none).

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:

		31.01.25 £	31.01.24 £
First interim distribution	29.02.24	157,391	164,335
Second interim distribution	31.03.24	157,424	171,635
Third interim distribution	30.04.24	155,531	175,994
Fourth interim distribution	31.05.24	155,475	176,201
Fifth interim distribution	30.06.24	155,435	169,876
Sixth interim distribution	31.07.24	154,004	169,270
Seventh interim distribution	31.08.24	157,178	167,744
Eighth interim distribution	30.09.24	157,412	166,565
Ninth interim distribution	31.10.24	157,372	164,735
Tenth interim distribution	30.11.24	146,081	163,085
Eleventh interim distribution	31.12.24	146,786	157,902
Final distribution	31.01.25	604,229	574,386
		2,304,318	2,421,728
Revenue deducted on cancellation of shares		95,323	73,933
Revenue received on issue of shares		(53,488)	(32,959)
Distributions		2,346,153	2,462,702

Reconciliation of net revenue after taxation to net distributions:

Net revenue after taxation per Statement of Total Return	1,970,677	2,076,310
Expenses allocated to capital	375,488	386,370
Undistributed revenue brought forward	12	34
Undistributed revenue carried forward	(24)	(12)
Distributions	2,346,153	2,462,702

7. Debtors

	31.01.25 £	31.01.24 £
Amounts receivable on issues	22,104	1,616
Accrued income:		
Bank interest receivable	–	1,998
Dividends receivable	70,388	83,450
Interest on debt securities	519,835	589,625
Operating charge rebates	20,021	15,457
Prepaid expenses:		
Legal fees	1,041	1,066
Total debtors	633,389	693,212

MI Charles Stanley Monthly High Income Fund

Notes to the Financial Statements

continued

8. Other Creditors

	31.01.25 £	31.01.24 £
Amounts payable on cancellations	104,619	16,449
Accrued expenses:		
Amounts payable to the Authorised Corporate Director ('ACD'), associates of the ACD and agents of either of them:		
Registration fee	2,753	2,760
Amounts payable to the Investment Manager, associates of the Investment Manager and agents of either of them:		
Investment Manager's fee	27,172	29,046
Amounts payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary's fee (including VAT)	3,017	2,038
Safe custody and other bank charges	1,336	736
	4,353	2,774
Auditor's remuneration*:		
Audit fee	10,870	10,870
Tax compliance services	1,176	2,348
	12,046	13,218
Other expenses:		
Printing costs	1,372	1,218
Taxation payable:		
Corporation tax payable	19,021	21,808
Total other creditors	171,336	87,273

*Included within the auditor's remuneration is irrecoverable VAT of £2,008 (2024: £2,203).

9. Cash and Bank Balances

	31.01.25 £	31.01.24 £
Cash and bank balances	839,781	863,994
Cash and bank balances	839,781	863,994

Notes to the Financial Statements

continued

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 Charles Stanley & Co 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 (if applicable) 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.

Amounts receivable from the Investment Manager for operating charge rebates are disclosed in note 4, and amounts due at the year end are shown in note 7.

At the year end the Sub-fund did not hold shares in any of the other Sub-funds within the MI Charles Stanley Investment Funds II.

11. Contingent Liabilities and Outstanding Commitments

There were no contingent liabilities or outstanding commitments at the balance sheet date (2024: 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 10 to 11.

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

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

Disclosure of VaR limit

The ACD uses Value at Risk ('VaR') to measure the risks relating to the financial assets in which the Sub-funds are invested.

VaR is a statistical measurement. It intends to measure the maximum potential loss in the Sub-fund's Net Asset Value under normal market conditions and is calculated for a given confidence level (probability) over a specific time period.

The historical method has been used to calculate VaR. This measure cannot take into account all potential future trends which may not follow historical patterns.

The Absolute VaR of a UCITS cannot be greater than 20% of its NAV, and therefore the VaR limit set during the financial year to 31 January 2025 was 20%.

The lowest, highest and average VaR, as well as utilisation of VaR with reference to the limit above, are calculated during the financial year end 31 January 2025.

	31.01.25 % of VaR	Utilisation of VaR(*) 20%	31.01.24 % of VaR	Utilisation of VaR(*) 20%
VaR at year end:	3.85	19.25	4.53	22.65
Minimum VaR:	3.56	17.80	4.32	21.60
Maximum VaR:	5.14	25.70	5.42	27.10
Average VaR:	4.31	21.55	4.58	22.90

*The VaR on the Sub-fund has been divided by its maximum limit.

The historical method has been used to calculate VaR. This measure cannot take into account all potential future trends which may not follow historical patterns. A confidence level of 99% has been satisfied, with a data history of two years, and a holding period of one month (20 days).

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 £4,087,093 (2024: £4,310,260).

Notes to the Financial Statements

continued

12. Risk Management Policies and Disclosures (continued)

Currency risk

There is no material direct foreign currency exposure in the Sub-fund (2024: none).

Interest rate risk

AFL measures the potential loss due to market risk using the value at risk method.

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

A risk limit system is employed to monitor the risks related to the investment types, concentration and diversification of the Sub-fund's portfolio.

Floating rate interest-bearing assets at the balance sheet date consist of bank balances, on which interest is calculated at a variable rate by reference to sterling bank deposit rates or the international equivalent; and floating rate notes, on which interest is calculated at a variable rate by reference to the Sterling Overnight Index Average ('SONIA') or the Euro Interbank Offered Rate ('EURIBOR').

Notes to the Financial Statements

continued

13. Portfolio Transaction Costs

31.01.25

Analysis of purchases	Total purchase cost £	Commissions paid £ %	Taxes £ %	Purchases before transaction cost £
Equities	677,217	– 0.00	3,371 0.50	673,846
Bonds	5,267,795	– 0.00	50 0.00	5,267,745
Funds	671,459	– 0.00	– 0.00	671,459

Total purchases after commissions and tax 6,616,471

Analysis of sales	Net sale proceeds £	Commissions paid £ %	Taxes £ %	Sales before transaction cost £
Equities	2,338,796	– 0.00	20 0.00	2,338,816
Bonds	5,131,735	20 0.00	58 0.00	4,997,741
Funds	150,000	– 0.00	– 0.00	150,000
Corporate action	2,028,035	– 0.00	– 0.00	2,162,107

Total sales after commissions and tax 9,648,566

Commission as a % of average net assets 0.00%

Taxes as a % of the average net assets 0.01%

31.01.24

Analysis of purchases	Total purchase cost £	Commissions paid £ %	Taxes £ %	Purchases before transaction cost £
Equities	146,388	– 0.00	1 0.00	146,387
Bonds	6,093,633	– 0.00	1,375 0.02	6,092,258

Total purchases after commissions and tax 6,240,021

Analysis of sales	Net sale proceeds £	Commissions paid £ %	Taxes £ %	Sales before transaction cost £
Equities	2,025,827	– 0.00	20 0.00	2,025,847
Bonds	5,649,261	– 0.00	1,426 0.03	5,650,687
Funds	435,726	– 0.00	– 0.00	435,726
Corporate action	2,377,193	– 0.00	– 0.00	2,377,193

Total sales after commissions and tax 10,488,007

Commission as a % of average net assets 0.00%

Taxes as a % of the 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 33 to 35. The direct transaction costs within the comparative tables may differ due to the effect of dilution levies charged (where applicable).

MI Charles Stanley Monthly High Income Fund

Notes to the Financial Statements

continued

14. Portfolio Dealing Spread

The average portfolio dealing spread at 31 January 2025 is 0.51% (2024: 0.80%).

15. Post Balance Sheet Events

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

16. Fair Value Disclosure

Valuation technique	31.01.25		31.01.24	
	Assets	Liabilities	Assets	Liabilities
	£	£	£	£
Level 1^	14,669,054	–	14,156,020	–
Level 2^^	26,201,876	–	28,946,578	–
Level 3^^^	–	–	–	–
	40,870,930	–	43,102,598	–

^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.

17. Shares in Issue

	A Income	A Accumulation	B Income	C Income	C Accumulation
Opening number of shares	2,773,929	124,493	11,405	42,194,897	4,434,533
Shares issued	20,627	224,139	132,371	4,113,965	2,459,853
Shares cancelled	(292,320)	(22,706)	(4,998)	(10,393,451)	(1,090,996)
Shares converted	–	(15,268)	–	–	20,428
Closing number of shares	2,502,236	310,658	138,778	35,915,411	5,823,818

MI Charles Stanley Monthly High Income Fund

Distribution Tables

for the year ended 31 January 2025

Income Share Distributions

Share class	Distribution	Shares	Net revenue p	Equalisation p	Distribution paid/payable 2025 p	Distribution paid 2024 p
A	First interim	Group 1 Group 2	0.2885 –	– 0.2885	0.2885 0.2885	0.2754 0.2754
	Second interim	Group 1 Group 2	0.2881 0.1374	– 0.1507	0.2881 0.2881	0.2891 0.2891
	Third interim	Group 1 Group 2	0.2884 0.0809	– 0.2075	0.2884 0.2884	0.2891 0.2891
	Fourth interim	Group 1 Group 2	0.2883 –	– 0.2883	0.2883 0.2883	0.2894 0.2894
	Fifth interim	Group 1 Group 2	0.2883 –	– 0.2883	0.2883 0.2883	0.2890 0.2890
	Sixth interim	Group 1 Group 2	0.2882 –	– 0.2882	0.2882 0.2882	0.2890 0.2890
	Seventh interim	Group 1 Group 2	0.2881 –	– 0.2881	0.2881 0.2881	0.2889 0.2889
	Eighth interim	Group 1 Group 2	0.2881 –	– 0.2881	0.2881 0.2881	0.2888 0.2888
	Ninth interim	Group 1 Group 2	0.2880 –	– 0.2880	0.2880 0.2880	0.2888 0.2888
	Tenth interim	Group 1 Group 2	0.2878 –	– 0.2878	0.2878 0.2878	0.2887 0.2887
	Eleventh interim	Group 1 Group 2	0.2879 –	– 0.2879	0.2879 0.2879	0.2885 0.2885
	Final	Group 1 Group 2	1.1897 –	– 1.1897	1.1897 1.1897	1.0606 1.0606
B†	First interim^	Group 1 Group 2	0.3589 0.3589	– –	0.3589 0.3589	N/A N/A
	Second interim^	Group 1 Group 2	0.3595 0.3595	– –	0.3595 0.3595	N/A N/A
	Third interim	Group 1 Group 2	0.3596 –	– 0.3596	0.3596 0.3596	N/A N/A
	Fourth interim	Group 1 Group 2	0.3599 –	– 0.3599	0.3599 0.3599	0.2196 0.2196
	Fifth interim	Group 1 Group 2	0.3600 –	– 0.3600	0.3600 0.3600	0.2954 0.2954
	Sixth interim^	Group 1 Group 2	0.3600 0.3600	– –	0.3600 0.3600	0.3294 0.3294
	Seventh interim^	Group 1 Group 2	0.3600 0.3600	– –	0.3600 0.3600	0.3436 0.3436
	Eighth interim^	Group 1 Group 2	0.3600 0.3600	– –	0.3600 0.3600	0.3493 0.3493
	Ninth interim	Group 1 Group 2	0.3610 –	– 0.3610	0.3610 0.3610	0.3539 0.3539
	Tenth interim^	Group 1 Group 2	0.3608 0.3608	– –	0.3608 0.3608	0.3559 0.3559

MI Charles Stanley Monthly High Income Fund

Distribution Tables

continued

Income Share Distributions (continued)

Share class	Distribution	Shares	Net revenue p	Equalisation p	Distribution paid/payable 2025 p	Distribution paid 2024 p
B [†]	Eleventh interim	Group 1	0.3607	–	0.3607	0.3566
		Group 2	–	0.3607	0.3607	0.3566
	Final	Group 1	1.4814	–	1.4814	1.3139
		Group 2	0.1014	1.3800	1.4814	1.3139
C	First interim	Group 1	0.3000	–	0.3000	0.2857
		Group 2	0.1386	0.1614	0.3000	0.2857
	Second interim	Group 1	0.3000	–	0.3000	0.3000
		Group 2	0.1268	0.1732	0.3000	0.3000
	Third interim	Group 1	0.3000	–	0.3000	0.3000
		Group 2	0.0757	0.2243	0.3000	0.3000
	Fourth interim	Group 1	0.3000	–	0.3000	0.3000
		Group 2	–	0.3000	0.3000	0.3000
	Fifth interim	Group 1	0.3000	–	0.3000	0.3000
		Group 2	–	0.3000	0.3000	0.3000
	Sixth interim	Group 1	0.3000	–	0.3000	0.3000
		Group 2	–	0.3000	0.3000	0.3000
	Seventh interim	Group 1	0.3000	–	0.3000	0.3000
		Group 2	–	0.3000	0.3000	0.3000
	Eighth interim	Group 1	0.3000	–	0.3000	0.3000
		Group 2	–	0.3000	0.3000	0.3000
	Ninth interim	Group 1	0.3000	–	0.3000	0.3000
		Group 2	–	0.3000	0.3000	0.3000
	Tenth interim	Group 1	0.3000	–	0.3000	0.3000
		Group 2	–	0.3000	0.3000	0.3000
	Eleventh interim	Group 1	0.3000	–	0.3000	0.3000
		Group 2	–	0.3000	0.3000	0.3000
	Final	Group 1	1.2395	–	1.2395	1.1029
		Group 2	0.2109	1.0286	1.2395	1.1029

[†]Launched 2 May 2023.

Accumulation Share Distributions

Share class	Distribution	Shares	Net revenue p	Equalisation p	Amount reinvested 2025 p	Amount reinvested 2024 p
A	First interim	Group 1	0.6412	–	0.6412	0.5811
		Group 2	0.6229	0.0183	0.6412	0.5811
	Second interim [^]	Group 1	0.6449	–	0.6449	0.6117
		Group 2	0.6449	–	0.6449	0.6117
	Third interim	Group 1	0.6454	–	0.6454	0.6136
		Group 2	–	0.6454	0.6454	0.6136
	Fourth interim [^]	Group 1	0.6466	–	0.6466	0.6184
		Group 2	0.6466	–	0.6466	0.6184
	Fifth interim [^]	Group 1	0.6482	–	0.6482	0.6180
		Group 2	0.6482	–	0.6482	0.6180

MI Charles Stanley Monthly High Income Fund

Distribution Tables

continued

Accumulation Share Distributions (continued)

Share class	Distribution	Shares	Net revenue p	Equalisation p	Amount reinvested 2025 p	Amount reinvested 2024 p
A	Sixth interim^	Group 1 Group 2	0.6522 0.6522	– –	0.6522 0.6522	0.6213 0.6213
	Seventh interim^	Group 1 Group 2	0.6529 0.6529	– –	0.6529 0.6529	0.6218 0.6218
	Eighth interim	Group 1 Group 2	0.6539 –	– 0.6539	0.6539 0.6539	0.6227 0.6227
	Ninth interim	Group 1 Group 2	0.6554 –	– 0.6554	0.6554 0.6554	0.6246 0.6246
	Tenth interim^	Group 1 Group 2	0.6568 0.6568	– –	0.6568 0.6568	0.6261 0.6261
	Eleventh interim	Group 1 Group 2	0.6582 –	– 0.6582	0.6582 0.6582	0.6272 0.6272
	Final^	Group 1 Group 2	2.7275 2.7275	– –	2.7275 2.7275	2.3144 2.3144
C	First interim	Group 1 Group 2	0.4790 0.2326	– 0.2464	0.4790 0.4790	0.4321 0.4321
	Second interim	Group 1 Group 2	0.4803 0.0182	– 0.4621	0.4803 0.4803	0.4557 0.4557
	Third interim	Group 1 Group 2	0.4814 0.1710	– 0.3104	0.4814 0.4814	0.4571 0.4571
	Fourth interim	Group 1 Group 2	0.4826 –	– 0.4826	0.4826 0.4826	0.4576 0.4576
	Fifth interim	Group 1 Group 2	0.4842 –	– 0.4842	0.4842 0.4842	0.4591 0.4591
	Sixth interim	Group 1 Group 2	0.4857 –	– 0.4857	0.4857 0.4857	0.4601 0.4601
	Seventh interim	Group 1 Group 2	0.4869 –	– 0.4869	0.4869 0.4869	0.4621 0.4621
	Eighth interim	Group 1 Group 2	0.4881 –	– 0.4881	0.4881 0.4881	0.4633 0.4633
	Ninth interim	Group 1 Group 2	0.4895 –	– 0.4895	0.4895 0.4895	0.4653 0.4653
	Tenth interim	Group 1 Group 2	0.4908 –	– 0.4908	0.4908 0.4908	0.4667 0.4667
	Eleventh interim	Group 1 Group 2	0.4919 –	– 0.4919	0.4919 0.4919	0.4677 0.4677
	Final	Group 1 Group 2	2.0392 0.3671	– 1.6721	2.0392 2.0392	1.7266 1.7266

^No group 2 shares held in the distribution period.

Further information

First interim period: 01.02.24 - 29.02.24
 Second interim period: 01.03.24 - 31.03.24
 Third interim period: 01.04.24 - 30.04.24
 Fourth interim period: 01.05.24 - 31.05.24

MI Charles Stanley Monthly High Income Fund

Distribution Tables

continued

Fifth interim period:	01.06.24 - 30.06.24
Sixth interim period:	01.07.24 - 31.07.24
Seventh interim period:	01.08.24 - 31.08.24
Eighth interim period:	01.09.24 - 30.09.24
Ninth interim period:	01.10.24 - 31.10.24
Tenth interim period:	01.11.24 - 30.11.24
Eleventh interim period:	01.12.24 - 31.12.24
Final period:	01.01.25 - 31.01.25

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 investment objective of the Sub-fund is to provide long-term capital growth through investment in a diversified portfolio of global equities with a focus on UK Blue-Chip companies.

The Sub-fund may also invest in other transferable securities and collective investment schemes (which may provide some exposure to alternative assets including private equity and hedge funds and, through transferable securities only, property), exchange traded funds, corporate bonds and government securities. Money market instruments and cash deposits may be held if the Investment Manager deems it appropriate in light of equity market conditions to meet the objectives of the Sub-fund.

There will be no limitations to geographical area (other than the focus on UK Blue-Chip companies) or industrial sector.

Investment Manager's Report

for the year ended 31 January 2025

Market Overview

The Sub-fund posted a +18.9% total return over the last twelve months, compared to +17.1% for the FTSE All Share and a +17.7% total return for the IA Global peer group.

(Source: Financial Express Analytics, as at 31 January 2025, pounds sterling, net income re-invested, A Accumulation shares)

Global equity markets surged in January as Donald Trump was inaugurated as the 47th President of the United States. The Republican Party's sweeping victory in the bitterly contested November election, which saw them gain control of both Houses of Congress, empowered President Trump to pursue extensive reforms. Shortly after taking office, Trump issued a flurry of highly contentious executive orders which significantly increased market volatility. These orders rapidly reversed many of former President Biden's policies, covering a broad spectrum of issues including healthcare and environmental regulations. Despite the abrupt shift in political direction, global investors remain optimistic about the potential benefits of deregulation and business-friendly policies.

The return of Donald Trump to the White House reignited fears of a trade war, driving Treasury yields higher and complicating the Federal Reserve's ('Fed's') efforts to curb inflation and promote growth. From nearly every perspective, the policy mix appears favourable for Wall Street, with deregulation, tax cuts, and reduced energy costs at the forefront. The US dollar continued its strong rally as investors anticipated lower corporate taxes, an increase in mergers and acquisitions, high deficits, and high tariffs on goods. During the Fed's most recent committee meeting Chair Jerome Powell indicated that interest rates might need to remain elevated for an extended period with only two cuts in 2025 now likely. Policymakers expressed concerns that Trump's immigration policies and a robust labour market could sustain high wages and keep inflation persistently above their two percent target.

In the UK, Prime Minister Keir Starmer faced a tumultuous start to his premiership, grappling with plummeting approval ratings and a winter fraught with political instability. The economy's growth of a mere 0.1% in January fell significantly short of expectations, exacerbating the Labour Party's challenges. The aftermath of Chancellor Rachel Reeves' October budget continued to unfold, with the government striving to restore confidence amidst soaring borrowing costs which have reached a 16-year high. Reeves' Autumn budget, which introduced £40 billion in tax hikes, has drawn significant criticism for its potential to stifle economic growth and erode both business and consumer confidence. In response to economic slowdown, the Bank of England took decisive action by cutting interest rates twice, each time by a quarter of a percentage point. This move reflected the Bank's growing concern over the stagnating economy, despite persistent inflation in the crucial services sector, which has been a significant driver of Britain's economy in recent years.

In Europe, persistent disagreements over Chancellor Olaf Scholz's spending plans led to the collapse of Germany's fragile three-party coalition government, prompting an early federal election now scheduled for February 2025. The dispute over Scholz's policies strained relations between the Social Democrats ('SPD') and their coalition partners to an all-time low, as Germany struggled to reverse a sharp slowdown in manufacturing. Compounding these issues are energy security concerns and tighter border controls which have heightened geopolitical tensions across Europe. Meanwhile, the political landscape in Austria has undergone a significant shift, with the far-right Freedom Party of Austria ('FPÖ') emerging as the leading party. This development signals a major change in Austria's political environment.

Finally in France, Prime Minister Michael Barnier was forced to resign after losing a no-confidence vote following his use of special powers to force through an unpopular budget without the approval of parliament. Since losing his parliamentary majority in June, President Macron has struggled to break the political deadlock, facing mounting challenges in his efforts to govern effectively. He now confronts a significant political showdown with Marine Le Pen, the leader of the far-right populist National Rally Party, as he scrambled to push through a revised austerity budget and prevent a political and constitutional crisis.

Investment Manager's Report

continued

Outlook

As we look ahead to the new year the outlook for global growth remains uncertain as businesses and governments attempt to adapt to the threat of America's unpredictable tariffs and policies. With Trump now back in office and arguably more politically powerful than ever, investors are concerned that elevated levels of uncertainty and unpredictability could destabilise global trade. Meanwhile, it is expected that the world's richest man and CEO of Tesla and SpaceX, Elon Musk, will continue to play a significant role in both domestic and international affairs.

Global trade wars, stagnating economic growth, and stubborn inflationary pressures could collectively lead to stock market volatility over the coming months. Despite these challenges, the Fed maintains a cautiously optimistic outlook for the U.S. economy. They currently anticipate that interest rates will remain within the current range in the near term. However, markets are forecasting two rate cuts in 2025, suggesting a gradual easing of monetary policy as inflationary pressures begin to subside. This scenario indicates that while the Fed is taking a steady approach, markets are preparing for the possibility of more accommodative monetary policy in the future.

In the UK, the Labour Party's primary objective for the upcoming year is to invigorate the sluggish economic growth. Rachel Reeves will face significant pressure as she prepares for the Spring budget in March. She will need to navigate the delicate balance of addressing the country's growing debt burden by implementing spending cuts and increasing taxes, all while striving to stimulate economic growth. This challenging task will require careful navigation to ensure that the measures taken do not stifle the economy further. The Labour Party's approach will be closely scrutinised, as they aim to demonstrate their capability to manage the economy effectively whilst promoting a more sustainable growth trajectory.

European markets have experienced a robust start to 2025, significantly outperforming the American S&P 500 and emerging as the top-performing global market. This impressive performance can be attributed to several factors, with the most significant being the emerging signs that the prolonged Russian invasion of Ukraine is nearing its conclusion. This development has been pivotal in boosting investor confidence and driving up risk assets in the region. An end to the conflict is expected to bring about greater geopolitical stability, which in turn would lower energy costs and encourage investment and economic activity. Furthermore, resilient corporate earnings, supportive economic policies, and effective governance in Germany and France could contribute further to positive market sentiment.

Geopolitical risks are expected to remain prominent and could disrupt the fragile recovery of global economic growth. The broader tension between Russia and NATO carries the risk of escalation or prolonged instability, which could have far-reaching implications on markets. Meanwhile, the ongoing conflict between Iran and Israel continues to pose significant risks to both regional and global security. This persistent hostility in the Middle East remains a critical concern, with the possibility of destabilising the region and impacting international relations and economic stability.

In the current environment, we will continue to favour investment in large Blue-Chip, high-quality equities which provide a dividend yield and potential for earnings growth. Equities are forecast to benefit further from growth in developed economies and the Sub-fund maintains an underweight position in European equities, in favour of the UK and American stock markets.

MI Charles Stanley UK & International Growth Fund

Portfolio Statement

as at 31 January 2025

Holding	Security	Market value £	% of total net assets 2025
	TECHNOLOGY 0.74% (0.55%)		
	Software and Computer Services 0.74% (0.55%)		
64,000	Sage	862,720	0.74
	TELECOMMUNICATIONS 0.00% (0.67%)		
	HEALTH CARE 5.36% (6.04%)		
	Medical Equipment and Services 0.48% (0.57%)		
54,000	Smith & Nephew	557,280	0.48
	Pharmaceuticals and Biotechnology 4.88% (5.47%)		
22,000	AstraZeneca	2,495,680	2.13
131,200	GSK	1,843,360	1.57
15,000	Novartis	1,268,537	1.08
3,000	Sandoz	115,811	0.10
		5,723,388	4.88
	FINANCIALS 9.56% (9.19%)		
	Banks 4.70% (4.01%)		
1,303,000	Barclays	3,869,910	3.30
2,635,000	Lloyds Banking	1,641,604	1.40
		5,511,514	4.70
	Finance and Credit Services 1.33% (1.18%)		
13,000	London Stock Exchange	1,564,550	1.33
	Investment Banking and Brokerage Services 0.69% (0.99%)		
388,000	M&G	808,980	0.69
	Closed End Investments 0.80% (0.63%)		
86,000	Scottish Mortgage Investment Trust	933,100	0.80
	Life Insurance 2.04% (2.38%)		
583,000	Legal & General	1,412,608	1.20
146,000	Prudential	989,880	0.84
		2,402,488	2.04
	REAL ESTATE 0.43% (0.54%)		
	Real Estate Investment Trusts 0.43% (0.54%)		
86,000	Land Securities	503,100	0.43
	CONSUMER DISCRETIONARY 5.86% (5.84%)		
	Consumer Services 2.43% (2.41%)		
102,000	Compass	2,846,820	2.43
	Media 3.43% (3.43%)		
100,000	RELX	4,025,000	3.43
	CONSUMER STAPLES 6.31% (6.49%)		
	Beverages 1.11% (1.35%)		
54,000	Diageo	1,305,990	1.11

MI Charles Stanley UK & International Growth Fund

Portfolio Statement

continued

Holding	Security	Market value £	% of total net assets 2025
	Tobacco 2.11% (1.81%)		
45,000	British American Tobacco	1,438,650	1.23
38,000	Imperial Brands	1,033,600	0.88
		2,472,250	2.11
	Personal Care, Drug and Grocery Stores 3.09% (3.33%)		
21,000	Reckitt Benckiser	1,119,300	0.95
425,000	Tesco	1,581,850	1.35
20,000	Unilever	926,400	0.79
		3,627,550	3.09
	INDUSTRIALS 1.96% (2.95%)		
	General Industrials 0.00% (0.94%)		
	Industrial Support Services 1.96% (2.01%)		
30,000	Experian	1,201,800	1.02
276,000	Rentokil Initial	1,100,688	0.94
		2,302,488	1.96
	BASIC MATERIALS 2.00% (2.40%)		
	Industrial Metals and Mining 2.00% (2.40%)		
277,000	Glencore	970,608	0.83
28,000	Rio Tinto	1,369,480	1.17
		2,340,088	2.00
	ENERGY 3.74% (4.01%)		
	Oil, Gas and Coal 3.74% (4.01%)		
436,000	BP	1,841,010	1.57
95,000	Shell	2,544,100	2.17
		4,385,110	3.74
	UTILITIES 1.95% (2.10%)		
	Gas, Water and Multi-utilities 1.95% (2.10%)		
115,000	National Grid	1,126,770	0.96
46,000	Severn Trent	1,161,960	0.99
		2,288,730	1.95
	COLLECTIVE INVESTMENT SCHEMES 54.27% (51.94%)		
	Asia Pacific 8.56% (8.79%)		
107,000	Baring Eastern - D Income GBP*	1,388,860	1.18
564,170	First State Stewart Investment Asia Pacific - B Income GBP*	1,872,876	1.60
1,749,000	M&G Japan – PP Income GBP*	2,650,610	2.26
708,000	Man GLG Japan CoreAlpha - D Income*	2,322,240	1.98
2,258,576	Schroder Asian Income - L Income GBP*	1,805,506	1.54
		10,040,092	8.56
	Continental Europe 3.79% (4.05%)		
75,000	Baillie Gifford Overseas Growth - B Income GBP*	1,662,750	1.42
692,000	BlackRock Continental European Income - D Income GBP*	1,377,426	1.17
358,000	Legal & General European Index - C Distribution GBP*	1,410,520	1.20
		4,450,696	3.79

MI Charles Stanley UK & International Growth Fund

Portfolio Statement

continued

Holding	Security	Market value £	% of total net assets 2025
	Emerging Markets 1.60% (1.69%)		
62,000	Goldman Sachs India Equity - I Income GBP*	1,878,600	1.60
	Global 2.62% (1.70%)		
1,725,000	M&G Global Listed Infrastructure - PP Income GBP*	1,816,253	1.55
130,000	Polar Capital Global Insurance - E Income GBP*	1,258,933	1.07
		3,075,186	2.62
	North America 34.86% (33.98%)		
609,000	Aviva Investors US Equity Income - Class 5 Income GBP*	1,749,779	1.49
1,074,000	AXA Framlington American Growth - Z Accumulation GBP*	8,939,976	7.62
206,000	Brown Advisory US Smaller Companies - C Accumulation USD*	5,490,016	4.68
61,073	Dodge & Cox Worldwide US Stock - Income GBP*	2,366,560	2.02
118,000	Fidelity American Special Situations - W Accumulation*	3,357,100	2.86
3,708,000	JPM US Equity Income - C2 Income*	6,726,312	5.73
1,368,000	Loomis Sayles US Equity Leaders - Q Accumulation GBP*	11,057,270	9.43
74,000	T. Rowe Price US All-Cap Opportunities Equity - C Accumulation GBP*	1,210,640	1.03
		40,897,653	34.86
	United Kingdom 2.84% (1.73%)		
149,000	Aberdeen UK Smaller Companies - Institutional Accumulation*	1,476,292	1.26
1,049,000	WS Gresham House UK Smaller Companies - F Income GBP*	1,016,481	0.87
853,000	WS Whitman UK Small Cap Growth - D Accumulation GBP*	836,367	0.71
		3,329,140	2.84
	EXCHANGE TRADED FUNDS 7.14% (6.66%)		
	Exchange Traded Funds 7.14% (6.66%)		
265,000	iShares S&P 500 Financials UCITS ETF - Accumulation USD	3,199,194	2.73
48,000	Vanguard FTSE 250 UCITS ETF	1,540,320	1.31
39,000	Vanguard S&P 500 ETF	3,633,338	3.10
		8,372,852	7.14
	Investment assets	116,505,365	99.32
	Net other assets	800,934	0.68
	Net assets	117,306,299	100.00

All investments are ordinary shares or stock units on a regulated securities market unless otherwise stated. The percentages in brackets show the equivalent % holdings as at 31.01.24.

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

MI Charles Stanley UK & International Growth Fund

Comparative Table

Change in net assets per share

A Accumulation	31.01.25 p	31.01.24 p	31.01.23 p
Opening net asset value per share	338.33	323.42	316.27
Return before operating charges [^]	72.43	19.55	11.58
Operating charges	-5.29	-4.64	-4.43
Return after operating charges [^]	67.14	14.91	7.15
Distributions	-4.18	-4.91	-4.87
Retained distributions on accumulation shares	4.18	4.91	4.87
Closing net asset value per share	405.47	338.33	323.42
[^] After direct transaction costs of	-0.04	0.00	-0.03
Performance			
Return after charges	19.84%	4.61%	2.26%
Other information			
Closing net asset value	£117,306,299	£105,708,375	£110,040,258
Closing number of shares	28,930,602	31,243,835	34,024,154
Operating charges*	1.43%	1.43%	1.41%
Direct transaction costs	0.01%	0.00%	0.01%
Prices			
Highest share price	404.24	339.63	327.74
Lowest share price	338.43	309.28	294.92

*From 31 October 2023, as a result of changes to guidance, Closed-Ended funds are not included within the synthetic ongoing charges.

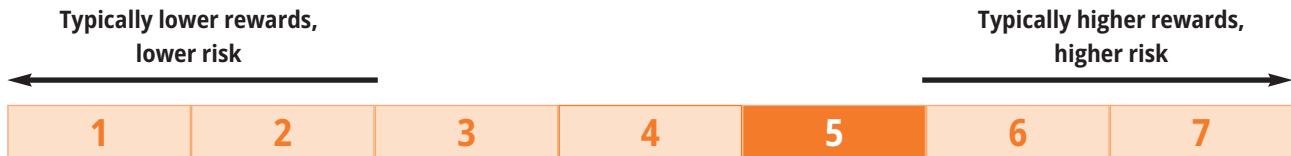
Operating charges include indirect costs incurred in the maintenance and running of the Sub-fund, as disclosed (but not limited to) the detailed expenses within the Statement of Total Return. The figures used within this table have been calculated against the average Net Asset Value for the accounting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

The return after charges is calculated as the closing Net Asset Value per share 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 Financial Statements of 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 5 because funds of this type have experienced medium to high rises and falls in value in the past. Please note that even the lowest risk class can lose you money and that extreme market circumstances can mean you suffer severe losses in all cases. The indicator does not take into account the following risks of investing in this Sub-fund:

- Bond values are affected by changes in interest rates, inflation and any decline in creditworthiness of the bond issuer. Bonds that produce a higher level of income usually also carry greater risk as such bond issuers may not be able to pay the bond income as promised or could fail to repay the capital amount used to purchase the bond.
- For funds investing globally, currency exchange rate fluctuations may have a positive or negative impact on the value of your investment.
- The Sub-fund invests into other funds which themselves invest in assets such as bonds, company shares, cash and currencies. The objectives and risk profiles of these underlying funds may not be fully in line with those of this Sub-fund.
- 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.
- 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 Charles Stanley UK & International Growth Fund

Statement of Total Return

for the year ended 31 January 2025

	Note	£	31.01.25 £	31.01.24 £
Income				
Net capital gains	2		18,871,446	3,076,612
Revenue	3	2,471,663		2,752,542
Expenses	4	(1,180,190)		(1,125,694)
Interest payable and similar charges	4	–		(150)
Net revenue before taxation		1,291,473		1,626,698
Taxation	5	(16,773)		(7,734)
Net revenue after taxation			1,274,700	1,618,964
Total return before distributions			20,146,146	4,695,576
Distributions	6		(1,274,695)	(1,618,958)
Change in net assets attributable to Shareholders from investment activities			18,871,451	3,076,618

Statement of Change in Net Assets Attributable to Shareholders

for the year ended 31 January 2025

	£	31.01.25 £	31.01.24 £
Opening net assets attributable to Shareholders		105,708,375	110,040,258
Amounts receivable on issue of shares	2,085,519		2,000,258
Less: Amounts payable on cancellation of shares	(10,601,810)		(10,972,565)
		(8,516,291)	(8,972,307)
Change in net assets attributable to Shareholders from investment activities (see Statement of Total Return above)		18,871,451	3,076,618
Retained distributions on accumulation shares		1,242,764	1,563,806
Closing net assets attributable to Shareholders		117,306,299	105,708,375

The notes on pages 60 to 67 form an integral part of these Financial Statements.

MI Charles Stanley UK & International Growth Fund

Balance Sheet

as at 31 January 2025

	Note	£	31.01.25 £	£	31.01.24 £
ASSETS					
Fixed Assets					
Investments			116,505,365		105,050,952
Current Assets					
Debtors	7	212,518		234,510	
Cash and bank balances	9	803,237		656,263	
Total current assets			1,015,755		890,773
Total assets			117,521,120		105,941,725
LIABILITIES					
Creditors					
Other creditors	8	(214,821)		(233,350)	
Total creditors			(214,821)		(233,350)
Total liabilities			(214,821)		(233,350)
Net assets attributable to Shareholders			117,306,299		105,708,375

The notes on pages 60 to 67 form an integral part of these Financial Statements.

MI Charles Stanley UK & International Growth Fund

Notes to the Financial Statements

for the year ended 31 January 2025

1. Accounting Policies

The Sub-fund's Financial Statements have been prepared on the same basis as the Accounting Policies stated on pages 8 and 9.

2. Net capital Gains

	31.01.25 £	31.01.24 £
Non-derivative securities	18,875,213	3,081,517
Currency (losses)/gains	(8)	115
Transaction charges	(3,759)	(5,020)
Net capital gains	18,871,446	3,076,612

3. Revenue

	31.01.25 £	31.01.24 £
UK dividends	1,520,609	1,844,975
Overseas dividends	73,210	49,253
Property income distributions	26,316	38,122
Distributions from Regulated Collective Investment Schemes:		
UK investment income	661,557	654,783
Offshore distributions	161,398	137,711
Bank interest	28,573	27,698
Total revenue	2,471,663	2,752,542

4. Expenses

	31.01.25 £	31.01.24 £
Payable to the Authorised Corporate Director ('ACD'), associates of the ACD and agents of either of them:		
Registration fees	15,000	14,997
Payable to the Investment Manager, associates of the Investment Manager and agents of either of them:		
Investment Manager's fee	1,111,394	1,054,263
Payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary's fee (including VAT)	25,916	24,987
Safe custody and other bank charges	12,409	11,862
	38,325	36,849
Auditor's remuneration*:		
Audit fee	10,870	10,870
Tax compliance services	2,350	2,348
	13,220	13,218

Notes to the Financial Statements

continued

4. Expenses (continued)

	31.01.25 £	31.01.24 £
Other expenses:		
Legal fees	707	4,904
Printing costs	1,544	1,463
	2,251	6,367
Expenses	1,180,190	1,125,694
Interest payable and similar charges	–	150
Total expenses	1,180,190	1,125,844

*Included within the auditor's remuneration is irrecoverable VAT of £2,203 (2024: £2,203).

5. Taxation

	31.01.25 £	31.01.24 £
(a) Analysis of charge in the year:		
Overseas tax	16,773	7,734
Total tax charge (note 5b)	16,773	7,734
(b) Factors affecting taxation charge for the year:		
Net revenue before taxation	1,291,473	1,626,698
Corporation tax at 20%	258,295	325,340
Effects of:		
UK dividends	(436,433)	(499,952)
Movement in surplus management expenses	225,060	212,005
Non taxable overseas earnings	(46,922)	7,734
Overseas tax expensed	16,773	(37,393)
Total tax charge (note 5a)	16,773	7,734

(c) Deferred tax

At the year end there is a potential deferred tax asset of £2,755,540 (2024: £2,530,480) in relation to surplus management expenses of £13,777,702 (2024: £12,652,402). 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:

		31.01.25 £	31.01.24 £
Interim distribution	31.07.24	785,661	997,511
Final distribution	31.01.25	457,104	566,295
		1,242,765	1,563,806
Revenue deducted on cancellation of shares		40,715	64,271
Revenue received on issue of shares		(8,785)	(9,119)
Distributions		1,274,695	1,618,958

Reconciliation of net revenue after taxation to net distributions:

Net revenue after taxation per Statement of Total Return	1,274,700	1,618,964
Undistributed revenue brought forward	15	9
Undistributed revenue carried forward	(20)	(15)
Distributions	1,274,695	1,618,958

7. Debtors

	31.01.25 £	31.01.24 £
Accrued income:		
Bank interest receivable	–	2,562
Dividends receivable	184,397	202,849
Overseas tax recoverable	27,947	28,922
Prepaid expenses:		
Legal fees	174	177
Total debtors	212,518	234,510

8. Other Creditors

	31.01.25 £	31.01.24 £
Amounts payable on cancellations	93,854	120,331
Accrued expenses:		
Amounts payable to the Authorised Corporate Director ('ACD'), associates of the ACD and agents of either of them:		
Registration fee	1,270	1,271
Amounts payable to the Investment Manager, associates of the Investment Manager and agents of either of them:		
Investment Manager's fee	97,003	89,312
Amounts payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary's fee (including VAT)	6,604	4,205
Safe custody and other bank charges	3,119	1,972
	9,723	6,177

Notes to the Financial Statements

continued

8. Other Creditors (continued)

	31.01.25 £	31.01.24 £
Auditor's remuneration*:		
Audit fee	10,870	10,870
Tax compliance services	1,176	4,511
	12,046	15,381
Other expenses:		
Printing costs	925	878
Total other creditors	214,821	233,350

*Included within the auditor's remuneration is irrecoverable VAT of £2,008 (2024: £2,564).

9. Cash and Bank Balances

	31.01.25 £	31.01.24 £
Cash and bank balances	803,237	656,263
Cash and bank balances	803,237	656,263

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 Charles Stanley & Co 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 (if applicable) 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 Charles Stanley Investment Funds II.

11. Contingent Liabilities and Outstanding Commitments

There were no contingent liabilities or outstanding commitments at the balance sheet date (2024: 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 10 to 11.

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 £11,650,537 (2024: £10,505,095).

Currency risk

The Company invests in Collective Investment Schemes, therefore the Sub-funds maybe indirectly exposed to the underlying Collective Investment Scheme investments.

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

	31.01.25	31.01.24
	Total	Total
Currency	£	£
Euro	8,509,046	4,321,411
Indian rupee	2,912,200	3,472,185
Japanese yen	2,438,051	4,573,992
Pound sterling	74,533,669	48,673,261
Swiss franc	2,642,433	1,337,200
United States dollar	26,270,900	43,330,326
	117,306,299	105,708,375

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 £4,277,263 (2024: £5,703,511).

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.

Notes to the Financial Statements

continued

13. Portfolio Transaction Costs

31.01.25

Analysis of purchases	Total purchase cost	Commissions paid		Taxes		Purchases before transaction cost
	£	£	%	£	%	£
Equities	1,176,218	–	0.00	5,858	0.50	1,170,360
Funds	4,935,686	–	0.00	–	0.00	4,935,686
Corporate Action	234,162	–	0.00	–	0.00	234,162
Total purchases after commissions and tax	6,346,066					

Analysis of sales	Net sale proceeds	Commissions paid		Taxes		Sales before transaction cost
	£	£	%	£	%	£
Equities	6,944,418	–	0.00	26	0.00	6,944,444
Funds	6,888,695	–	0.00	–	0.00	6,888,695
Total sales after commissions and tax	13,833,113					
Commission as a % of average net assets	0.00%					
Taxes as a % of the average net assets	0.01%					

31.01.24

Analysis of purchases	Total purchase cost	Commissions paid		Taxes		Purchases before transaction cost
	£	£	%	£	%	£
Funds	4,030,951	–	0.00	–	0.00	4,030,951
Total purchases after commissions and tax	4,030,951					

Analysis of sales	Net sale proceeds	Commissions paid		Taxes		Sales before transaction cost
	£	£	%	£	%	£
Equities	5,518,597	–	0.00	108	0.00	5,518,705
Funds	5,897,430	–	0.00	–	0.00	5,897,430
Total sales after commissions and tax	11,416,027					
Commission as a % of average net assets	0.00%					
Taxes as a % of the average net assets	0.00%					

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

14. Portfolio Dealing Spread

The average portfolio dealing spread at 31 January 2025 is 0.04% (2024: 0.02%).

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	31.01.25		31.01.24	
	Assets £	Liabilities £	Assets £	Liabilities £
Level 1^	52,833,998	–	50,130,214	–
Level 2^^	63,671,367	–	54,920,738	–
Level 3^^^	–	–	–	–
	116,505,365	–	105,050,952	–

^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.

17. Shares in Issue

	A Accumulation
Opening number of shares	31,243,835
Shares issued	579,602
Shares cancelled	(2,892,835)
Closing number of shares	28,930,602

MI Charles Stanley UK & International Growth Fund

Distribution Table

for the year ended 31 January 2025

Accumulation Share Distributions

Share class	Distribution	Shares	Net revenue p	Equalisation p	Amount reinvested 2025 p	Amount reinvested 2024 p
A	Interim	Group 1	2.6016	–	2.6016	3.0980
		Group 2	1.0215	1.5801	2.6016	3.0980
	Final	Group 1	1.5800	–	1.5800	1.8125
		Group 2	0.2951	1.2849	1.5800	1.8125

Further information

Interim period: 01.02.24 - 31.07.24

Final period: 01.08.24 - 31.01.25

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 Charles Stanley Investment Funds II

General Information

Authorised Status

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

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

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

The Company was incorporated in England and Wales on 02 June 2005 under registration number IC000398. The Shareholders are not liable for the debts of the Company.

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

MI Charles Stanley Equity Fund

MI Charles Stanley Monthly High Income Fund

MI Charles Stanley UK & International Growth 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 Pounds 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-fund.

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-fund	Share Class					
	A Inc	A Acc	B Inc	B Acc	C Inc	C Acc
MI Charles Stanley Equity Fund	✓	✓	✓	✓	–	–
MI Charles Stanley Monthly High Income Fund	✓	✓	✓	✓*	✓	✓
MI Charles Stanley UK & International Growth Fund	–	✓	–	–	–	–

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

The Company may issue both Income and Accumulation Shares.

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

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

General Information

continued

Valuation Point

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

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

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 308 1456

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. Neither the Company nor the ACD 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.

Task Force on Climate-Related Financial Disclosures ('TCFD')

The ACD is required to publish a public TCFD product report in respect of each Sub-fund. The report is designed to provide investors with transparency into their portfolios' climate-related risks and opportunities according to the recommendations from the TCFD and aims to help investors understand their exposure to these risks and opportunities.

Reports for each Sub-fund are published on www.fundrock.com/mi-funds/ and can be found under Task Force on Climate-Related Financial Disclosures ('TCFD') by selecting the relevant Fund Manager and Sub-fund.

Significant Information

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.

General Information

continued

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 properly 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

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.

Remuneration of the ACD

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 Company, 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 Sub-fund or the ACD itself. This includes executives, senior risk and compliance staff and certain senior managers.

31.01.25	Number of Beneficiaries	Fixed Remuneration	Variable Remuneration Paid	Total
Total remuneration paid by the ACD during the year	27	£1,398,522	£376,608	£1,775,130
Remuneration paid to employees of the ACD who have material impact on the risk profile of the Fund	6	£646,304	£230,239	£876,543

With effect from 25 September 2024, the composition of Directors and Non-Executive Directors of the ACD Board of Apex FundRock Limited changed. The changes are noted on page 1.

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

Data Protection

All personal information provided by you and any other information relating to your investment will be treated in confidence by us and will not be disclosed to any third parties outside of the Apex Group, except to our service providers, appropriate authorities or where legally compelled or permitted by law or where your prior consent has been received. We will use your information to open, administer and when appropriate, close your account. We may record and use any information held about you in the course of our relationship with you for these purposes. The Law gives you the right to know what information we hold about you. In addition, the Law sets out rules to make sure that this information is handled properly.

General Information

continued

A copy of our privacy policy and your rights as a data subject can be found on our website at <https://www.apexgroup.com/privacy-policy/>. Apex Fundrock Ltd is a registered Data Controller. If you have any queries about the use of your personal information, please contact us via e-mail at DPO@apexfs.com or by post to Hamilton Centre, Rodney Way, Chelmsford, Essex, CM1 3BY.

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.



Apex Fundrock Limited

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