MI Quilter Cheviot Investment Funds

Value Assessment 2023

Reporting End Period 31st August 2023

Introduction to the ACD Assessment of Value

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

Value Assessment Criteria

AFM Costs

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

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

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

Quality of Service

The range and quality of services provided to shareholders.

Performance

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

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

Economies of Scale

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

Comparable Market Rates

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

by the ACD; or

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

Comparable Services

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

Classes of Shares

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

AFM Costs - Fees & Services Chargeable to the Fund

Fees and Services of the Authorised Corporate Director

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

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

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

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

Fees and Services of the Fund Administrator

- The Fund Administrator, Apex Fundrock Ltd is responsible for the administration and record-keeping of the Fund including, but not limited to, the calculation of the daily Net Asset Valuation; the preparation of the Annual Report and Accounts and Interim Financial Statements; the maintenance of the Shareholder Register; the administration of Investor Subscription and Redemptions and the provision of an on-line and telephone enquiry service for investors and their advisers.

- The services of the Fund Administrator are subject to a tightly defined Service Level Agreement and Key Performance Indicators which are used to assess the quality and performance of the ACD.

- The Fund Administration fees are regularly reviewed by the ACD against comparable market rates for a professional Fund administrator for hire providing comparable services, taking into account the complexity and risk profile of the Funds.

- The Fund Administration fees are clearly set out in the scheme documentation and are tiered based on the overall value of the Fund to reflect economies of scale. All investors in the Fund share equally in these economies of scale across all classes of units.

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

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

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

Fees and Services of the Depositary and Custodian

- The Depositary, Northern Trust Investor Services Limited, is responsible for the safekeeping of the assets of the Fund, for the monitoring of cash flows, and for the appointment and oversight of the Custodian who is responsible for the safekeeping of the assets of the Fund in physical or electronic form in the markets in which the Fund invests. The Custodian is also responsible on behalf of the Fund for the collection of income and dividends, the processing of corporate actions and the reclaim of tax under any applicable double taxation treaties.

- The services of the Depositary and Custodian are subject to a tightly defined Service Level Agreement and Key Performance Indicators which are used by the ACD to assess the quality and performance of the Depositary and Custodian.

- The Depositary and Custody fees are regularly reviewed by the ACD against comparable market rates for a professional Depositary for hire providing comparable services, taking into account the complexity and risk profile of the Funds.

- The Depositary and Custody fees are clearly set out in the scheme documentation and are tiered based on the overall value of the Fund to reflect economies of scale. All investors in the Fund share equally in these economies of scale across all classes of units.

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

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

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

Fees and Services of the Auditor

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

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

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

Fees and Services of the Investment Manager

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

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

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

Fund Performance

Overview of the criteria used to assess Value regarding Fund Performance

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

MI Quilter Cheviot Alternative Assets Fund

Sub-Fund Overall Value Assessment score 30th April 2023

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

Fair

The Fund has only been in existence for 18 months and its objectives are a rolling five year period of performance, therefore it is too early to judge long term value.

Sub-Fund Performance 30th April 2023

The MI Quilter Cheviot Alternative Assets Fund has a stated objective of delivering capital growth and income over a rolling five year basis, the fund managers also reference the Fund's performance against the HFRX Global Hedge Fund Index (GBP). Over the year to the end of April 2023 the Fund returned -12% compared to the HFRX Global Hedge Fund Index (GBP) -2.8%.

1 Year	Poor
3 Years	N/A
5 Years	N/A

Investors should recognise that the Fund is actively managed and is SRRI risk rated 4 and that short-term market volatility can affect the performance over all time periods positively or negatively. Every fund will have periods of weak performance, and this should also be considered when investing in any fund.

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

Market Commentary

Following the tumultuous backdrop experienced for much of 2022, and despite the continued uncertainty surrounding the global economic outlook, financial markets made a gradual recovery over the final six months of the year covered within this annual report. Indeed, although the narrative has continued to shift back and forth, in recent months investors have been largely anticipating light at the end of the aggressive interest rate rise tunnel. Meanwhile, the UK government has experienced a period of relative political stability following the appointment of Rishi Sunak, the new Prime Minister, and his administration. This move marked a return to a more orthodox economic policy, with UK assets staging a recovery and the pound recovering from its September nadir. Elsewhere, China's sudden abandonment of its 'zero-Covid' policy improved sentiment and led to strong gains in Asian stock markets in the fourth quarter of 2022. While this move should lead to a rise in global economic activity, we do believe there will be domestic setbacks along the way, with ongoing geopolitical tensions also continuing to cloud the picture.

Global stock markets posted positive returns in the first quarter of 2023, with the MSCI All Country World Index returning 4.5% for a sterling-based investor. These gains followed in the wake of a positive final quarter of 2022, the first of the year, as markets rallied strongly from their

October lows. Market volatility reduced in April, with stock and bond markets experiencing calmer conditions after the banking-orientated concerns of the preceding month.

Since the Federal Reserve ('Fed') embarked on its interest rate rising cycle just over a year ago, they have lifted the funds rate from 0.25% to 5.00%. The Bank of England ('BoE') and European Central Bank ('ECB') have also raised rates to 4.25% and 3.5% respectively as at the end of April 2023. Price pressures in most places decreased during the first quarter, but there were warning signs that high inflation may prove stickier than hoped – a 10.4% annual increase in the UK Consumer Prices Index to March 2023 being the sixth consecutive month the metric had been in the double-digit territory. Inflationary pressures have been more apparent in services than goods, driven to a greater extent by higher wages as commodity prices have cooled, although soaring food costs remain problematic. Europe exemplified this with a closing of the spread between headline and core inflation, as the March headline figure fell to a one year low while the core equivalent hit a new eurozone high of 5.7%. Despite this, European equities extended their recent run, continuing to outperform the UK and US and ending the month of April up over 4%.

Corporate profits have so far held up better than many expected in the face of tighter global monetary policy, as corporations' ability to pass on rising costs has become more apparent, even at the expense of small volume declines. This is evidenced by the numerous consumer staple and discretionary firms that have published results showing growth in overall sales revenue, even though volumes have fallen.

In the banking sector, the recent collapse of Silicon Valley Bank ('SVB') and a government-brokered takeover of Credit Suisse by UBS caused heightened near-term volatility, but the avoidance of a wider fallout has seemingly reassured investors for now. Although rising interest rates played a role in the demise of both institutions, their downfall was largely due to factors specific to themselves, rather than being indicative of systemic weakness. In the case of Credit Suisse, the takeover was preceded by a prolonged period of poor performance, while for SVB interest rate risk mismanagement can ultimately be seen as the root cause. US regional banks are now expected to face tighter regulatory scrutiny which, along with the issues recently experienced, will cause a tightening of credit and perhaps more consolidation in the sector. Recent reports show large withdrawals from banks, with the capital flowing into money market funds. Should this continue, it will tighten financial conditions further and weigh on economic activity as well as weaken banks. Large US lenders and European banks seem relatively better off at present, with far larger capital buffers than 15 years ago.

The key issues now for markets, as far as we are concerned, are how the relevant authorities manage the rehabilitation process for the impacted regional banks, and how successful they are in preventing widespread contagion. Central banks are able to print money at the requisite level to prevent a total collapse, but as this is at odds with their current inflation-fighting efforts, it remains to be seen how much appetite they have to go down this route.

Our view is that the situation will likely linger at a similar level to present conditions, providing a delicate balancing act. This will have an adverse impact on the broader economy, increasing the probability of a recession with general lending conditions tightening as standards are raised.

Investment Review

During the year ended 30 April 2023, the A Income Class returned -12.05% in GBP terms, underperforming its comparator benchmark, the HFRX Global Hedge Fund GBP Index which returned -2.77%~ in GBP terms. The Sub-fund's commercial property and private equity investments were the principal detractors to returns, coming under considerable pressure amid the turbulent (and prevailing "risk off") market conditions. Holdings in the LXI REIT, Supermarket Income REIT, ASI UK Real Estate Share and CT (formerly BMO) Property Growth & Income exhibited the sharpest drawdowns within the former allocation, while Chrysalis Investments posted sharp falls within the latter.*

Positive returns were seen from the Sub-fund's money market fund exposures. With financial markets enduring a change in the economic environment, sentiment, and prospective returns, bonds are now able to provide a higher rate of return, with money market instruments also providing an attractive yield. This was evident through a combination of holdings such as the Royal London Short-Term Money Market and Blackrock ICS Sterling Liquidity Premier. Gains in global equity markets also led to positive returns from the HSBC MSCI World UCITS ETF.

Divergence in performance was also seen across the Sub-fund's absolute return and multi-asset strategy funds allocation, with the exposure posting a small negative return over the year. Pleasing gains were seen from the holdings in Janus Henderson Absolute Return, Trium ESG Emissions Improvers and Aspect Diversified Trends. However, these gains were negated by the holdings in PIMCO GIS Dynamic Multi-Asset and JPMorgan Funds - US Opportunistic Long-Short Equity.

Turning to activity, and several new ideas were added over the year, with the holding in the LFIS Vision UCITS Premia sold to help fund these positions. The first of the new investments was the Ardea Global Alpha Fund, a strategy focused on identifying government related securities that are closely related but priced inconsistently with each other (known as relative value mispricing). Profits can be made when this mispricing corrects and capital can be recycled into the next opportunity. The fund is structured to be a defensive fixed income solution that targets consistent low volatility returns, independent of market direction. We see the holding as a defensive fixed income anchor within the Sub-fund, helping to navigate the ups and downs of financial markets.

The second new holding was the Trium ESG Emissions Improvers, which focuses on sectors that account for the vast majority of European greenhouse gas emissions such as utilities, energy, materials and industrials. The fund's team aims to improve those emissions through *engagement with company management. This is a long-short equity fund (a strategy looking to profit from both rising and falling share prices) with a bias to medium to large European companies. It aims to invest in a sector and commodity neutral manner, with its core long exposure favouring companies that have a strong investment case and where their potential for environmental transformation is under-appreciated. The fund is run by a motivated and compelling manager with impressive industry contacts and the technical understanding to recommend and drive positive changes in mid- and large-sized companies.*

The position in the JPMorgan Funds - US Opportunistic Long-Short Equity was sold at the end of the year, with the holding in the Janus Henderson Absolute Return increased. BH Macro was also initiated as a new position during the first quarter of the year. This is a closed-ended investment company listed on the London Stock Exchange, which specialises in providing exposure to hedge fund strategies managed exclusively by Brevan Howard Asset Management, a leading global hedge fund manager. While the holding has endured a relatively volatile period of late, we believe it offers attractive long-term diversification benefits in relation to traditional asset classes such as equities and fixed income.

Outlook

Despite the prospect of relatively weak earnings this year, investors appear to be looking forward to a recovery in 2024, supported by lower bond yields. We think equity markets may have got ahead of themselves in the short-term, as history suggests that weaker growth, even when accompanied by falling interest rates, can prove challenging for risk assets.

Derivatives markets are still pricing in interest rate cuts before the end of 2023, putting the year end implied Fed funds rate at 4.3%. This contrasts with the situation in the UK, where markets expect interest rates to be higher at the end of the year, forecasting that Bank of England rate setters will look through a softening economy and maintain their vigilant stance on stubbornly high inflation.

Given how many moving parts there are to the current global economic picture, and the elevated degree of short-term uncertainty that exists, we believe it sensible to avoid making an aggressive call on the prospects of any one investment "style" or sector at this point in time. Having seen already this year how quickly the narrative can shift, it is our view that remaining flexible and pragmatic in our positioning of the Sub-fund, while incorporating the analysis offered by our investment research colleagues, remains the correct approach to take at this point in the cycle.

**Source: Financial Express, 27 June 2023. All figures to 30 April 2023.*

~Source: Data provided by FactSet.

MI Quilter Cheviot Alternative Assets Fund

Fund Information

Non-UCITS retail scheme Key Investor Information

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

MI Quilter Cheviot Alternative Assets Fund ("the Fund") A Income Shares

This is a sub fund of MI Quilter Cheviot Investment Funds. The Fund is a non-UCITS retail scheme Open Ended Investment Company.
ISIN: GB00BMT7RD75.
Apex Fundrock Ltd is the Authorised Corporate Director of the Fund ("MI" and "MI Funds" are trading names of the ACD).

Objectives and investment policy

The Fund aims to deliver capital growth and income on a rolling five-year basis, by investing predominantly in a diversified portfolio of asset classes either directly or indirectly.

The Fund will typically invest at least 90% of the portfolio indirectly but at times, dependent on market conditions and the Investment Manager's view of the market, the indirect exposure may be higher or lower than 90% but is never expected to fall below 80%.

The Fund's indirect investments will include other investment funds (which may include those that are managed or operated by the ACD or an associate of the ACD), to give further exposure to a diversified portfolio of asset classes.

The Fund will have typically 70% (but a minimum of 50%) invested in alternative asset classes such as: property; commodities (such as gold and precious metals); private equity; infrastructure; currency; derivatives; and funds with absolute return strategies and multi asset strategies. The exposure to property and commodities will vary and may at times be significant.

Absolute return funds aim to deliver positive returns regardless of the direction of broader investment markets. Multi asset funds invest across different asset classes, seeking to achieve asset diversification within the one fund.

The Fund may also hold other assets, including company shares, government bonds, investment grade and/or sub-investment grade corporate bonds and cash.

Bonds are like loans that pay a fixed or variable rate of interest issued by governments, companies and other large organisations worldwide. Bonds are classified by rating agencies for their creditworthiness: those rated 'investment grade' generally carry a relatively low risk of default but also tend to offer lower yields than 'non-investment grade' bonds which, in turn, generally have a higher risk of default but also tend to offer higher yields.

The Fund may use derivatives, which are sophisticated instruments whose value is linked to the rise and fall of other assets, to achieve its investment objectives and for the purposes of hedging and efficient portfolio management, with the aim of managing risk and cost.

The Fund is actively managed. This means the Investment Manager uses their expertise to pick investments to achieve the Fund's objective.

Any income this share class generates will be paid out to you.

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

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

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

Risk and reward profile

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

Typically lower rewards, lower risk — **Typically higher rewards, higher risk**

1	2	3	4	5	6	7

- The Fund is ranked 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 Fund:
- Investing overseas can bring additional returns and spread risk to different markets. There are risks, however, that changes in currency exchange rates may cause the value of your investment to decrease or increase.
- Investing in other funds may expose investors to increased risk due to less strict regulations and the use of derivatives. These other funds can themselves invest into 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 Fund.
- The Fund may invest in property funds which can be less liquid than other asset classes.
- In difficult market conditions, the value of some investments may be less predictable than normal and the Fund may not be able to buy and sell these investments at the best time or at a fair price. This could affect the Fund's performance, potentially reducing your returns.
- The Fund may invest in bond funds which will be impacted by changes in interest rates, inflation and any decline in creditworthiness of the underlying bond issuers.
- The Fund can use derivatives in order to meet its investment objectives or to protect from price and currency movement. This may result in gains or losses that are greater than the original amount invested.
- For further risk information please see the Prospectus.

MI Quilter Cheviot Alternative Assets Fund

Fund Information

Charges

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

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

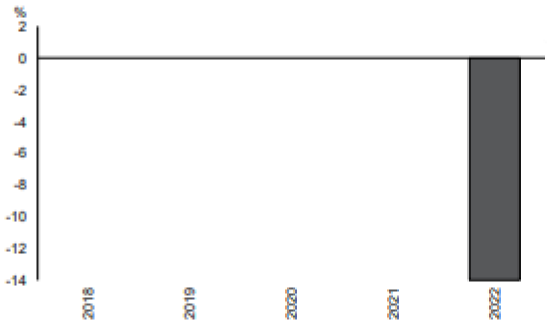
These are the maximum charges that we might take out of your money before it is invested and before we pay out the sale proceeds of your investment. In some cases, you might pay less and you should speak to your financial adviser about this.

Charges taken from the Fund over a year	
Ongoing charges	0.58%

Charges taken from the Fund under specific conditions	
Performance fee	NONE

- The ongoing charges figure is based on the last year's expenses and may vary from year to year. It excludes the costs of buying or selling assets for the Fund (unless these assets are shares of another fund).
- For the ongoing charge, the figure is as at 31 October 2022.
- You may also be charged a dilution levy on entry to or exit from the Fund, this is to cover costs associated with your transaction.
- For more information about charges, please see the prospectus.

Past performance



	2018	2019	2020	2021	2022
Fund					-14.0

Source: FE fundinfo 2023

- You should be aware that past performance is not a guide to future performance.
- Fund launch date: 30/09/2021.
- Share/unit class launch date: 30/09/2021.
- Performance is calculated in GBP.

Practical information

- This document is issued by Apex Fundrock Ltd and contains information on the A Income Shares only ("MI" and "MI Funds" are trading names of the ACD).
- Each fund of the Company has its own pool of assets and liabilities, segregated by law. If one fund were unable to pay for its liabilities the assets of the other funds could not be used to pay for those liabilities.
- You can get further detailed information regarding the Fund, including details of the investment manager and how to switch, buy and sell shares and other share classes available, within the prospectus, the supplementary information document and the annual and half yearly managers' reports. You can get these free of charge from Apex Fundrock Ltd, Hamilton Centre, Rodney Way, Chelmsford, Essex CM1 3BY or from our website: www.fundrock.com. These are available in English only. You can call us on 0345 521 1006, or look on our website for the latest unit prices.
- Details of the ACD's remuneration policy (including a description of how remuneration and benefits are calculated, the composition of the remuneration committee and the identities of persons responsible for awarding remuneration and benefits) are available at www.fundrock.com/mi-fund-data or by requesting a paper copy free of charge (see above for contact details).
- The Depositary of the Fund is Northern Trust Investor Services Limited.
- Please note that the tax laws of the United Kingdom may impact your own tax position.

MI Quilter Cheviot Asian and Emerging Markets Equity Fund

Sub-Fund Overall Value Assessment score 30th April 2023

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

Good

The Fund has only been in existence for 18 months and its objectives are a rolling five year period of performance, therefore it is too early to judge long term value.

Sub-Fund Performance 30th April 2023

The MI Quilter Cheviot Asian and Emerging Markets Equity Fund has a stated objective of delivering capital growth and income over a rolling five year basis, the fund managers also reference the Fund's performance against the MSCI AC Asia Pacific Index. Over the year to the end of April 2023 the Fund returned -0.3% compared to the MSCI AC Asia Pacific Index (GBP) -2.6%.

1 Year	Good
3 Years	N/A
5 Years	N/A

Investors should recognise that the Fund is actively managed and is SRRI risk rated 5 and that short-term market volatility can affect the performance over all time periods positively or negatively. Every fund will have periods of weak performance, and this should also be considered when investing in any fund.

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

Market Commentary

Following the tumultuous backdrop experienced for much of 2022, and despite the continued uncertainty surrounding the global economic outlook, financial markets made a gradual recovery over the final six months of the period covered within this annual report. Indeed, although the narrative has continued to shift back and forth, in recent months investors have been largely anticipating light at the end of the aggressive interest rate rise tunnel. Meanwhile, the UK government has experienced a period of relative political stability following the appointment of Rishi Sunak, the new Prime Minister, and his administration. This move marked a return to a more orthodox economic policy, with UK assets staging a recovery and the pound recovering from its September nadir. Elsewhere, China's sudden abandonment of its 'zero-Covid' policy improved sentiment and led to strong gains in Asian stock markets in the fourth quarter of 2022. While this move should lead to a rise in global economic activity, we do believe there will be domestic setbacks along the way, with ongoing geopolitical tensions also continuing to cloud the picture.

Global stock markets posted positive returns in the first quarter of 2023, with the MSCI All Country World Index returning 4.5% for a sterling-based investor. These gains followed in the wake of a positive final quarter of 2022, the first of the year, as markets rallied strongly from their October lows. Market volatility reduced in April, with stock and bond markets experiencing calmer conditions after the banking-orientated concerns of the preceding month.

Since the Federal Reserve ('Fed') embarked on its interest rate rising cycle just over a year ago, they have lifted the funds rate from 0.25% to 5.00%. The Bank of England ('BoE') and European Central Bank ('ECB') have also raised rates to 4.25% and 3.5% respectively as at the end of April 2023. Price pressures in most places decreased during the first quarter, but there were warning signs that high inflation may prove stickier than hoped – a 10.4% annual increase in the UK Consumer Prices Index to March 2023 being the sixth consecutive month the metric had been in the double-digit territory. Inflationary pressures have been more apparent in services than goods, driven to a greater extent by higher wages as commodity prices have cooled, although soaring food costs remain problematic. Europe exemplified this with a closing of the spread between headline and core inflation, as the March headline figure fell to a one-year low while the core equivalent hit a new eurozone high of 5.7%. Despite this, European equities extended their recent run, continuing to outperform the UK and US and ending the month of April up over 4%.

Corporate profits have so far held up better than many expected in the face of tighter global monetary policy, as corporations' ability to pass on rising costs has become more apparent, even at the expense of small volume declines. This is evidenced by the numerous consumer staple and discretionary firms that have published results showing growth in overall sales revenue, even though volumes have fallen.

In the banking sector, the recent collapse of Silicon Valley Bank ('SVB') and a government-brokered takeover of Credit Suisse by UBS caused heightened near-term volatility, but the avoidance of a wider fallout has seemingly reassured investors for now. Although rising interest rates played a role in the demise of both institutions, their downfall was largely due to factors specific to themselves, rather than being indicative of systemic weakness. In the case of Credit Suisse, the takeover was preceded by a prolonged period of poor performance, while for SVB interest rate risk mismanagement can ultimately be seen as the root cause. US regional banks are now expected to face tighter regulatory scrutiny which, along with the issues recently experienced, will cause a tightening of credit and perhaps more consolidation in the sector. Recent reports show large withdrawals from banks, with the capital flowing into money market funds. Should this continue, it will tighten financial conditions further and weigh on economic activity as well as weaken banks. Large US lenders and European banks seem relatively better off at present, with far larger capital buffers than 15 years ago.

The key issues now for markets, as far as we are concerned, are how the relevant authorities manage the rehabilitation process for the impacted regional banks, and how successful they are in preventing widespread contagion. Central banks are able to print money at the requisite level to prevent a total collapse, but as this is at odds with their current inflation-fighting efforts, it remains to be seen how much appetite they have to go down this route.

Our view is that the situation will likely linger at a similar level to present conditions, providing a delicate balancing act. This will have an adverse impact on the broader economy, increasing the probability of a recession with general lending conditions tightening as standards are raised.

Investment Review

During the one year period to 30 April 2023, the A Income Class returned -0.31% in GBP terms, outperforming its comparator benchmark, the MSCI AC Asia Pacific Index (net) which returned -2.57%~ in GBP terms. Emerging markets enjoyed a promising start to 2023, with markets in Taiwan and Korea riding off the coattails of the renewed tech boom. While initially there was positive sentiment around China's reopening, this was marred by a rise in geopolitical tension, most notably when a suspected Chinese spy balloon was shot down by the US.*

From an attribution perspective, strong relative performance was seen from the Fidelity Asia Pacific Opportunities, M&G Japan and Pacific North of South Emerging Markets All Cap Equity. As a reminder, the latter position was first initiated in April 2022 (and subsequently added to over the period) as a differentiated, value-biased strategy focused on identifying mispriced stocks. Well positioned to benefit from higher inflation and energy prices, with circa 20% in commodity-related companies and a diversified spread of country exposures, the fund complements the more growth-orientated, thematic exposures held within the emerging markets allocation. The position in Vontobel MTX Sustainable Emerging Markets Leaders was sold in full to fund the additional investments into this holding.

Turning to the Japanese equity allocation, and during the period we introduced M&G Japan as a new high conviction idea, exiting the position in Usonian Japan Value as a result. M&G Japan is run by the experienced Carl Vine and team, with an investment process that is focused on companies with the potential for catalyst-driven share price improvements (such as share buybacks or corporate change). Over the course of the period we further added to the position at the expense of the holdings in Baillie Gifford Japanese Income Growth and SPARX Japan Sustainable Equity, with the exposure to SPARX now also exited in full. The move ensures M&G Japan is now the largest position within the Japanese equity allocation, with the rationale clear: we like the team's demonstration of strong stock selection abilities, alongside the additional benefits brought by its strong record of corporate engagement with both current and potential holdings.

Finally, we made a change to the Sub-fund's Asia Pacific ex Japan exposure, adding to the position in Fidelity Asia Pacific Opportunities and trimming the holding in Matthews Asia ex Japan Total Return Equity following changes to its management team.

Outlook

Despite the prospect of relatively weak earnings this year, investors appear to be looking forward to a recovery in 2024, supported by lower bond yields. We think equity markets may have got ahead of themselves in the short-term, as history suggests that weaker growth, even when accompanied by falling interest rates, can prove challenging for risk assets.

Derivatives markets are still pricing in interest rate cuts before the end of 2023, putting the year-end implied Fed funds rate at 4.3%. This contrasts with the situation in the UK, where markets expect interest rates to be higher at the end of the year, forecasting that Bank of England rate setters will look through a softening economy and maintain their vigilant stance on stubbornly high inflation.

Given how many moving parts there are to the current global economic picture, and the elevated degree of short-term uncertainty that exists, we believe it sensible to avoid making an aggressive call on the prospects of any one investment "style" or sector at this point in time. Having seen already this year how quickly the narrative can shift, it is our view that remaining flexible and pragmatic in our positioning of the Sub-fund, while incorporating the analysis offered by our investment research colleagues, remains the correct approach to take at this point in the cycle.

**Source: Financial Express, 27 June 2023. All figures to 30 April 2023.*

~Source: Data provided by FactSet.

MI Quilter Cheviot Asian and Emerging Markets Equity Fund

Fund Information

Non-UCITS retail scheme Key Investor Information

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

MI Quilter Cheviot Asian and Emerging Markets Equity Fund (“the Fund”) A Income Shares

This is a sub fund of MI Quilter Cheviot Investment Funds. The Fund is a non-UCITS retail scheme Open Ended Investment Company.
ISIN: GB00BMT7QV82.
Apex Fundrock Ltd is the Authorised Corporate Director of the Fund (“MI” and “MI Funds” are trading names of the ACD).

Objectives and investment policy

The Fund aims to deliver capital growth and income on a rolling five-year basis, by investing at least 90% in the shares of companies in developed markets in the Asia-Pacific region and global emerging markets.

The Fund will invest both directly into company shares and indirectly through other investment funds (which may include those that are managed or operated by the ACD or an associate of the ACD) which themselves invest in the shares of Asia-Pacific region companies and global emerging markets.

The Fund will invest at least 80% of the portfolio indirectly.

The Fund may also hold other assets, including cash.

The Fund may only make use of derivatives, which are sophisticated instruments whose value is linked to the rise and fall of other assets, for the purposes of hedging and efficient portfolio management, with the aim of managing risk and cost.

The Fund is actively managed. This means the Investment Manager uses their expertise to pick investments to achieve the Fund's objective.

Any income this share class generates will be paid out to you.

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

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

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

Risk and reward profile

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

Typically lower rewards, lower risk ← → **Typically higher rewards, higher risk**

1	2	3	4	**5**	6	7

- This Fund is ranked at 5 because funds of this type have experienced medium to high rises and falls in value in the past. Please note that even the lowest risk class can lose you money and that extreme market circumstances can mean you suffer severe losses in all cases. The indicator does not take into account the following risks of investing in this Fund:
- Investing overseas can bring additional returns and spread risk to different markets. There are risks, however, that changes in currency exchange rates may cause the value of your investment to decrease or increase.
- Investing in other funds may expose investors to increased risk due to less strict regulations and the use of derivatives. These other funds can themselves invest into 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 Fund.
- Emerging markets or less developed countries may face more political, economic or structural challenges than developed countries. This means your money is at greater risk.
- In difficult market conditions, the value of some investments may be less predictable than normal and the Fund may not be able to buy and sell these investments at the best time or at a fair price. This could affect the Fund's performance, potentially reducing your returns.
- For further risk information please see the Prospectus.

MI Quilter Cheviot Asian and Emerging Markets Equity Fund

Fund Information

Charges

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

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

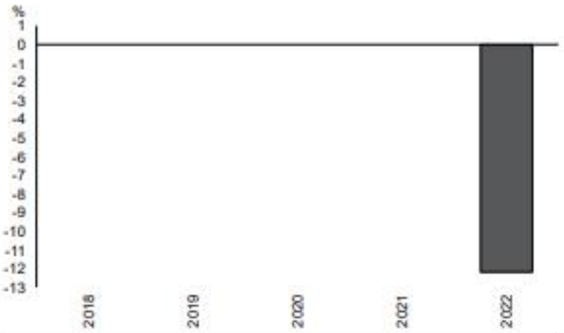
These are the maximum charges that we might take out of your money before it is invested and before we pay out the sale proceeds of your investment. In some cases, you might pay less and you should speak to your financial adviser about this.

Charges taken from the Fund over a year	
Ongoing charges	0.81%

Charges taken from the Fund under specific conditions	
Performance fee	NONE

- The ongoing charges figure is based on the last year's expenses and may vary from year to year. It excludes the costs of buying or selling assets for the Fund (unless these assets are shares of another fund).
- For the ongoing charge, the figure is as at 31 October 2022.
- You may also be charged a dilution levy on entry to or exit from the Fund, this is to cover costs associated with your transaction.
- For more information about charges, please see the prospectus.

Past performance



	2018	2019	2020	2021	2022
Fund					-12.2

Source: FE fundinfo 2023

- You should be aware that past performance is not a guide to future performance.
- Fund launch date: 30/09/2021.
- Share/unit class launch date: 30/09/2021.
- Performance is calculated in GBP.

Practical information

- This document is issued by Apex Fundrock Ltd and contains information on the A Income Shares only ("MI" and "MI Funds" are trading names of the ACD).
- Each fund of the Company has its own pool of assets and liabilities, segregated by law. If one fund were unable to pay for its liabilities the assets of the other funds could not be used to pay for those liabilities.
- You can get further detailed information regarding the Fund, including details of the investment manager and how to switch, buy and sell shares and other share classes available, within the prospectus, the supplementary information document and the annual and half yearly managers' reports. You can get these free of charge from Apex Fundrock Ltd, Hamilton Centre, Rodney Way, Chelmsford, Essex CM1 3BY or from our website: www.fundrock.com. These are available in English only. You can call us on 0345 521 1006, or look on our website for the latest unit prices.
- Details of the ACD's remuneration policy (including a description of how remuneration and benefits are calculated, the composition of the remuneration committee and the identities of persons responsible for awarding remuneration and benefits) are available at www.fundrock.com/mi-fund-data or by requesting a paper copy free of charge (see above for contact details).
- The Depositary of the Fund is Northern Trust Investor Services Limited.
- Please note that the tax laws of the United Kingdom may impact your own tax position.

MI Quilter Cheviot Conservative Fixed Interest Fund

Sub-Fund Overall Value Assessment score 30th April 2023

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

Good

The Fund has only been in existence for 18 months and its objectives are a rolling five year period of performance, therefore it is too early to judge long term value.

Sub-Fund Performance 30th April 2023

The MI Quilter Cheviot Fixed Interest Fund has a stated objective of delivering income and the potential for capital growth over a rolling five year basis, the fund managers also reference the Fund's performance against the Markit iBoxx Sterling Overall Index. Over the year to the end of April 2023 the Fund returned -12.9% compared to the Markit iBoxx Sterling Overall Index -14%.

1 Year	Good
3 Years	N/A
5 Years	N/A

Investors should recognise that the Fund is actively managed and is SRRI risk rated 4 and that short-term market volatility can affect the performance over all time periods positively or negatively. Every fund will have periods of weak performance, and this should also be considered when investing in any fund.

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

Market Commentary

Following the tumultuous backdrop experienced for much of 2022, and despite the continued uncertainty surrounding the global economic outlook, financial markets made a gradual recovery over the final six months of the year covered within this annual report. Indeed, although the narrative has continued to shift back and forth, in recent months investors have been largely anticipating light at the end of the aggressive interest rate rise tunnel. Meanwhile, the UK government has experienced a period of relative political stability following the appointment of Rishi Sunak, the new Prime Minister, and his administration. This move marked a return to a more orthodox economic policy, with UK assets staging a recovery and the pound recovering from its September nadir. Elsewhere, China's sudden abandonment of its 'zero-Covid' policy improved sentiment and led to strong gains in Asian stock markets in the fourth quarter of 2022. While this move should lead to a rise in global economic activity, we do believe there will be domestic setbacks along the way, with ongoing geopolitical tensions also continuing to cloud the picture.

Global stock markets posted positive returns in the first quarter of 2023, with the MSCI All Country World Index returning 4.5% for a sterling-based investor. These gains followed in the wake of a positive final quarter of 2022, the first of the year, as markets rallied *strongly from their October lows. Market volatility reduced in April, with stock and bond markets experiencing calmer conditions after the banking-orientated concerns of the preceding month.*

Since the Federal Reserve ('Fed') embarked on its interest rate rising cycle just over a year ago, they have lifted the funds rate from 0.25% to 5.00%. The Bank of England ('BoE') and European Central Bank ('ECB') have also raised rates to 4.25% and 3.5% respectively as at the end of April 2023. Price pressures in most places decreased during the first quarter, but there were warning signs that high inflation may prove stickier than hoped – a 10.4% annual increase in the UK Consumer Prices Index to March 2023 being the sixth consecutive month the metric had been in the double-digit territory. Inflationary pressures have been more apparent in services than goods, driven to a greater extent by higher wages as commodity prices have cooled, although soaring food costs remain problematic. Europe exemplified this with a closing of the spread between headline and core inflation, as the March headline figure fell to a one year low while the core equivalent hit a new eurozone high of 5.7%. Despite this, European equities extended their recent run, continuing to outperform the UK and US and ending the month of April up over 4%.

Corporate profits have so far held up better than many expected in the face of tighter global monetary policy, as corporations' ability to pass on rising costs has become more apparent, even at the expense of small volume declines. This is evidenced by the numerous consumer staple and discretionary firms that have published results showing growth in overall sales revenue, even though volumes have fallen.

In the banking sector, the recent collapse of Silicon Valley Bank ('SVB') and a government-brokered takeover of Credit Suisse by UBS caused heightened near-term volatility, but the avoidance of a wider fallout has seemingly reassured investors for now. Although rising interest rates played a role in the demise of both institutions, their downfall was largely due to factors specific to themselves, rather than being indicative of systemic weakness. In the case of Credit Suisse, the takeover was preceded by a prolonged period of poor performance, while for SVB interest rate risk mismanagement can ultimately be seen as the root cause. US regional banks are now expected to face tighter regulatory scrutiny which, along with the issues recently experienced, will cause a tightening of credit and perhaps more consolidation in the sector. Recent reports show large withdrawals from banks, with the capital flowing into money market funds. Should this continue, it will tighten financial conditions further and weigh on economic activity as well as weaken banks. Large US lenders and European banks seem relatively better off at present, with far larger capital buffers than 15 years ago.

The key issues now for markets, as far as we are concerned, are how the relevant authorities manage the rehabilitation process for the impacted regional banks, and how successful they are in preventing widespread contagion. Central banks are able to print money at the requisite level to prevent a total collapse, but as this is at odds with their current inflation-fighting efforts, it remains to be seen how much appetite they have to go down this route.

Our view is that the situation will likely linger at a similar level to present conditions, providing a delicate balancing act. This will have an adverse impact on the broader economy, increasing the probability of a recession with general lending conditions tightening as standards are raised.

Investment Review

During the year ended 30 April 2023, the A Income Class returned -12.86% in GBP terms, marginally outperforming its comparator benchmark, the Markit GBP Overall Index, which returned -13.96%~ in GBP terms.*

The gilt market was at the epicentre of the sell-off following the "mini-budget" crisis in September. Combined with the aforementioned sharp rise in interest rates across the globe, it has been a particularly challenging time for fixed interest investors. Signs of respite came when bond markets posted a positive return in the fourth quarter of 2022, with this momentum continuing into January 2023. However, the strong rally fizzled out in February due to persistently strong economic data. Turmoil in the banking sector reinvigorated calls for an imminent end to central banks increasing rates, and bond prices moved firmly higher while equity markets were hit by bouts of volatility. While the Fed increased rates after the collapse of SVB, expectations for further increases have somewhat diminished, with markets once more pricing in cuts before year end. We believe that bonds offer attractive long-term value at this stage, particularly in the UK, although sticky inflation and elevated issuance levels remain a concern.

Turning to activity, and during the period we exited PIMCO GIS Global Investment Grade Credit, allocating the proceeds to Royal London Sterling Credit. In September, we then reduced the duration (a measurement of sensitivity to interest rate changes) of the Sub-fund's gilt exposure, and increased the Sub-fund's headline credit allocation over the ensuing weeks. This was achieved by adding to the existing position in Federated Hermes Unconstrained Credit, alongside the introduction of a new holding: Vanguard UK Investment Grade Bond Index. The Vanguard position is a low-cost, 'passive' means of obtaining exposure to the universe of sterling-denominated, investment-grade fixed income securities, excluding government and government related-securities, with maturities greater than one year.

Later in the period, given the ongoing worries about the banking sector, as well as Fed tightening and the risk of recession, we decided to increase the defensiveness of the Sub-fund's corporate bond exposure, reducing the weighting in Federated Hermes

Unconstrained Credit in favour of incorporating Wellington Global Credit ESG. Wellington Global Credit ESG invests primarily in investment grade-rated corporate bonds, but has the flexibility to add value across securitised, government, high yield and emerging markets debt. Elsewhere, the duration of the conventional gilt exposure was also modestly increased.

Outlook

Despite the prospect of relatively weak earnings this year, investors appear to be looking forward to a recovery in 2024, supported by lower bond yields. We think equity markets may have got ahead of themselves in the short-term, as history suggests that weaker growth, even when accompanied by falling interest rates, can prove challenging for risk assets.

Derivatives markets are still pricing in interest rate cuts before the end of 2023, putting the year end implied Fed funds rate at 4.3%. This contrasts with the situation in the UK, where markets expect interest rates to be higher at the end of the year, forecasting that Bank of England rate setters will look through a softening economy and maintain their vigilant stance on stubbornly high inflation.

Having seen already this year how quickly the narrative can shift, it is our view that remaining flexible and pragmatic in our positioning of the Sub-fund, while incorporating the analysis offered by our investment research colleagues, remains the correct approach to take at this point in the cycle.

**Source: Financial Express, 27 June 2023. All figures to 30 April 2023.*

~Source: Data provided by FactSet.

MI Quilter Cheviot Conservative Fixed Interest Fund

Fund Information

Non-UCITS retail scheme Key Investor Information

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

MI Quilter Cheviot Conservative Fixed Interest Fund ("the Fund") A Income Shares

This is a sub fund of MI Quilter Cheviot Investment Funds. The Fund is a non-UCITS retail scheme Open Ended Investment Company.
ISIN: GB00BMT7QF25.
Apex Fundrock Ltd is the Authorised Corporate Director of the Fund ("MI" and "MI Funds" are trading names of the ACD).

Objectives and investment policy

The Fund aims to deliver income and the potential for capital growth on a rolling five-year basis, by investing predominantly in a diversified portfolio of UK and global bonds either directly or indirectly.

The Fund will typically invest at least 70% of the portfolio directly but at times, dependent on market conditions and the Investment Manager's view of the market, the direct exposure may be higher or lower than 70% but is never expected to fall below 50%.

The Fund's indirect investments will include other investment funds (which may include those that are managed or operated by the ACD or an associate of the ACD), to give further bonds exposure.

The Fund expects to invest conservatively, with 70% or more of the Fund invested in conventional gilts issued by the UK Government and index linked gilts.

The Fund may also hold other assets, including investment grade and/or sub-investment grade corporate bonds and cash.

Bonds are like loans that pay a fixed or variable rate of interest issued by governments, companies and other large organisations worldwide. Bonds are classified by rating agencies for their creditworthiness: those rated 'investment grade' generally carry a relatively low risk of default but also tend to offer lower yields than 'non-investment grade' bonds which, in turn, generally have a higher risk of default but also tend to offer higher yields.

The Fund may only make use of derivatives, which are sophisticated instruments whose value is linked to the rise and fall of other assets, for the purposes of hedging and efficient portfolio management, with the aim of managing risk and cost.

The Fund is actively managed. This means the Investment Manager uses their expertise to pick investments to achieve the Fund's objective.

Any income this share class generates will be paid out to you.

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

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

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

Risk and reward profile

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

Typically lower rewards, lower risk						Typically higher rewards, higher risk
1	2	3	**4**	5	6	7

- The Fund is ranked 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 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. There may be cases where the organisation from which we buy a bond fails to carry out its obligations which could cause losses to the Fund.
- Investing in other funds may expose investors to increased risk due to less strict regulations and the use of derivatives. These other funds can themselves invest into 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 Fund.
- The level of income may go down as well as up and is not guaranteed.
- Investing overseas can bring additional returns and spread risk to different markets. There are risks, however, that changes in currency exchange rates may cause the value of your investment to decrease or increase.
- For further risk information please see the Prospectus.

MI Quilter Cheviot Conservative Fixed Interest Fund

Fund Information

Charges

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

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

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

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

Charges taken from the Fund under specific conditions	
Performance fee	NONE

- The ongoing charges figure is based on the last year's expenses and may vary from year to year. It excludes the costs of buying or selling assets for the Fund (unless these assets are shares of another fund).
- For the ongoing charge, the figure is as at 31 October 2022.
- You may also be charged a dilution levy on entry to or exit from the Fund, this is to cover costs associated with your transaction.
- For more information about charges, please see the prospectus.

Past performance

	2018	2019	2020	2021	2022
Fund					-22.3

Source: FE fundinfo 2023

- You should be aware that past performance is not a guide to future performance.
- Fund launch date: 30/09/2021.
- Share/unit class launch date: 30/09/2021.
- Performance is calculated in GBP.

Practical information

- This document is issued by Apex Fundrock Ltd and contains information on the A Income Shares only ("MI" and "MI Funds" are trading names of the ACD).
- Each fund of the Company has its own pool of assets and liabilities, segregated by law. If one fund were unable to pay for its liabilities the assets of the other funds could not be used to pay for those liabilities.
- You can get further detailed information regarding the Fund, including details of the investment manager and how to switch, buy and sell shares and other share classes available, within the prospectus, the supplementary information document and the annual and half yearly managers' reports. You can get these free of charge from Apex Fundrock Ltd, Hamilton Centre, Rodney Way, Chelmsford, Essex CM1 3BY or from our website: www.fundrock.com. These are available in English only. You can call us on 0345 521 1006, or look on our website for the latest unit prices.
- Details of the ACD's remuneration policy (including a description of how remuneration and benefits are calculated, the composition of the remuneration committee and the identities of persons responsible for awarding remuneration and benefits) are available at www.fundrock.com/mi-fund-data or by requesting a paper copy free of charge (see above for contact details).
- The Depositary of the Fund is Northern Trust Investor Services Limited.
- Please note that the tax laws of the United Kingdom may impact your own tax position.

MI Quilter Cheviot Diversified Returns Fund

Sub-Fund Overall Value Assessment score 30th April 2023

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

Fair

The Fund has only been in existence for 18 months and its objectives are a rolling five year period of performance, therefore it is too early to judge long term value.

Sub-Fund Performance 30th April 2023

The MI Quilter Cheviot Diversified Returns Fund has a stated objective of delivering capital growth and income over a rolling five year basis, the fund managers also reference the Fund's performance against a custom index of 100% Long MSCI World Diversified Multiple Factor Index +70% Short MSCI World Index (GBP). Over the year to the end of April 2023 the Fund returned -1.9% compared to a return for the MSCI custom Index of 100% Long MSCI World Diversified Multiple Factor Index +70% Short MSCI World Index of 0.8%.

1 Year	Fair
3 Years	N/A
5 Years	N/A

Investors should recognise that the Fund is actively managed and is SRRI risk rated 3 and that short-term market volatility can affect the performance over all time periods positively or negatively. Every fund will have periods of weak performance, and this should also be considered when investing in any fund.

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

Market Commentary

Following the tumultuous backdrop experienced for much of 2022, and despite the continued uncertainty surrounding the global economic outlook, financial markets made a gradual recovery over the final six months of the year covered within this annual report. Indeed, although the narrative has continued to shift back and forth, in recent months investors have been largely anticipating light at the end of the aggressive interest rate rise tunnel. Meanwhile, the UK government has experienced a period of relative political stability following the appointment of Rishi Sunak, the new Prime Minister, and his administration. This move marked a return to a more orthodox economic policy, with UK assets staging a recovery and the pound recovering from its September nadir. Elsewhere, China's sudden abandonment of its 'zero-Covid' policy improved sentiment and led to strong gains in Asian stock markets in the fourth quarter of 2022. While this move should lead to a rise in global economic activity, we do believe there will be domestic setbacks along the way, with ongoing geopolitical tensions also continuing to cloud the picture.

Global stock markets posted positive returns in the first quarter of 2023, with the MSCI All Country World Index returning 4.5% for a sterling-based investor. These gains followed in the wake of a positive final quarter of 2022, the first of the year, as markets rallied strongly from their October lows. Market volatility reduced in April, with stock and bond markets experiencing calmer conditions after the banking-orientated concerns of the preceding month.

Since the Federal Reserve ('Fed') embarked on its interest rate rising cycle just over a year ago, they have lifted the funds rate from 0.25% to 5.00%. The Bank of England ('BoE') and European Central Bank ('ECB') have also raised rates to 4.25% and 3.5% respectively as at the end of April 2023. Price pressures in most places decreased during the first quarter, but there were warning signs that high inflation may prove stickier than hoped – a 10.4% annual increase in the UK Consumer Prices Index to March 2023 being the sixth consecutive month the metric had been in the double-digit territory. Inflationary pressures have been more apparent in services than goods, driven to a greater extent by higher wages as commodity prices have cooled, although soaring food costs remain problematic. Europe exemplified this with a closing of the spread between headline and core inflation, as the March headline figure fell to a one year low while the core equivalent hit a new eurozone high of 5.7%. Despite this, European equities extended their recent run, continuing to outperform the UK and US and ending the month of April up over 4%.

Corporate profits have so far held up better than many expected in the face of tighter global monetary policy, as corporations' ability to pass on rising costs has become more apparent, even at the expense of small volume declines. This is evidenced by the numerous consumer staple and discretionary firms that have published results showing growth in overall sales revenue, even though volumes have fallen.

In the banking sector, the recent collapse of Silicon Valley Bank ('SVB') and a government-brokered takeover of Credit Suisse by UBS caused heightened near-term volatility, but the avoidance of a wider fallout has seemingly reassured investors for now. Although rising interest rates played a role in the demise of both institutions, their downfall was largely due to factors specific to themselves, rather than being indicative of systemic weakness. In the case of Credit Suisse, the takeover was preceded by a prolonged period of poor performance, while for SVB interest rate risk mismanagement can ultimately be seen as the root cause. US regional banks are now expected to face tighter regulatory scrutiny which, along with the issues recently experienced, will cause a tightening of credit and perhaps more consolidation in the sector. Recent reports show large withdrawals from banks, with the capital flowing into money market funds. Should this continue, it will tighten financial conditions further and weigh on economic activity as well as weaken banks. Large US lenders and European banks seem relatively better off at present, with far larger capital buffers than 15 years ago.

The key issues now for markets, as far as we are concerned, are how the relevant authorities manage the rehabilitation process for the impacted regional banks, and how successful they are in preventing widespread contagion. Central banks are able to print money at the requisite level to prevent a total collapse, but as this is at odds with their current inflation-fighting efforts, it remains to be seen how much appetite they have to go down this route.

Our view is that the situation will likely linger at a similar level to present conditions, providing a delicate balancing act. This will have an adverse impact on the broader economy, increasing the probability of a recession with general lending conditions tightening as standards are raised.

Investment Review

During the year ended 30 April 2023, the A Income Class returned -1.86% in GBP terms, underperforming its comparator benchmark, the MSCI Custom Index of 100% Long MSCI World Diversified Multiple Factor Index + 70% Short MSCI World Index, which returned 0.82%~ in GBP terms.*

From an attribution perspective, gains in global equity markets led to a positive contribution from the HSBC MSCI World UCITS ETF, the top holding in the Sub-fund. In contrast, last year's dramatic repricing of fixed interest investments impacted several rate sensitive investments, including the iShares UK Gilts 0-5 Year UCITS ETF, Sequoia Economic Infrastructure Income and Hipgnosis Songs.

Divergence in performance was also seen across the Sub-fund's absolute return and multi-asset strategy funds allocation, with the exposure posting a small negative return over the year. Pleasing gains were seen from the holdings in Janus Henderson Absolute Return, Trium ESG Emissions Improvers and Aspect Diversified Trends. However, these gains were negated by the holdings in PIMCO GIS Dynamic Multi-Asset and JPMorgan US Opportunistic Long-Short Equity.

Turning to activity, and several new ideas were added over the year, with the holding in LFIS Vision UCITS Premia sold to help fund these positions. The first of the new investments was Ardea Global Alpha, a strategy focused on identifying government related securities that are closely related but priced inconsistently with each other (known as relative value mispricing). Profits can be made when this mispricing corrects and capital can be recycled into the next opportunity. The fund is structured to be a defensive fixed income solution that targets consistent low volatility returns, independent of market direction. We see the holding as a defensive fixed income anchor within the Sub-fund, helping to navigate the ups and downs of financial markets.

The second new holding was Trium ESG Emissions Improvers, which focuses on sectors that account for the vast majority of European greenhouse gas emissions such as utilities, energy, materials and industrials. The fund's team aims to improve those emissions through engagement with company management. This is a long-short equity fund (a strategy looking to profit from both rising and falling share prices) with a bias to medium to large European companies. It aims to invest in a sector and commodity neutral manner, with its core long exposure favouring companies that have a strong investment case and where their potential for *environmental transformation is under-appreciated. The fund is run by a motivated and compelling manager with impressive industry contacts and the technical understanding to recommend and drive positive changes in mid- and large-sized companies.*

The position in the JPMorgan US Opportunistic Long-Short Equity Fund was sold at the end of the year, with the holding in Janus Henderson Absolute Return increased. BH Macro was also initiated as a new position during the first quarter of the year. This is a closed-ended investment company listed on the London Stock Exchange, which specialises in providing exposure to hedge fund strategies managed exclusively by Brevan Howard Asset Management, a leading global hedge fund manager. While the holding has endured a relatively volatile period of late, we believe it offers attractive long-term diversification benefits in relation to traditional asset classes such as equities and fixed income.

Outlook

Despite the prospect of relatively weak earnings this year, investors appear to be looking forward to a recovery in 2024, supported by lower bond yields. We think equity markets may have got ahead of themselves in the short-term, as history suggests that weaker growth, even when accompanied by falling interest rates, can prove challenging for risk assets.

Derivatives markets are still pricing in interest rate cuts before the end of 2023, putting the year end implied Fed funds rate at 4.3%. This contrasts with the situation in the UK, where markets expect interest rates to be higher at the end of the year, forecasting that Bank of England rate setters will look through a softening economy and maintain their vigilant stance on stubbornly high inflation.

Given how many moving parts there are to the current global economic picture, and the elevated degree of short-term uncertainty that exists, we believe it sensible to avoid making an aggressive call on the prospects of any one investment "style" or sector at this point in time. Having seen already this year how quickly the narrative can shift, it is our view that remaining flexible and pragmatic in our positioning of the Sub-fund, while incorporating the analysis offered by our investment research colleagues, remains the correct approach to take at this point in the cycle.

**Source: Financial Express, 27 June 2023. All figures to 30 April 2023.*

~Source: Data provided by FactSet.

MI Quilter Cheviot Diversified Returns Fund

Fund Information

Non-UCITS retail scheme Key Investor Information

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

MI Quilter Cheviot Diversified Returns Fund ("the Fund") A Income Shares

This is a sub fund of MI Quilter Cheviot Investment Funds. The Fund is a non-UCITS retail scheme Open Ended Investment Company.
ISIN: GB00BMT7R591.
Apex Fundrock Ltd is the Authorised Corporate Director of the Fund ("MI" and "MI Funds" are trading names of the ACD).

Objectives and investment policy

The Fund aims to deliver capital growth and income on a rolling five-year basis, by investing predominantly in a diversified portfolio of asset classes either directly or indirectly.

The Fund will typically invest at least 90% of the portfolio indirectly but at times, dependent on market conditions and the Investment Manager's view of the market, the indirect exposure may be higher or lower than 90% but is never expected to fall below 80%.

The Fund's indirect investments will include other investment funds (which may include those that are managed or operated by the ACD or an associate of the ACD), to give further exposure to a diversified portfolio of asset classes.

The Fund will have typically 60% (but a minimum of 50%) invested in alternative asset classes such as: private equity; infrastructure; currency; derivatives; and funds with absolute return strategies and multi asset strategies. The Fund will have no direct exposure to property or commodities funds.

Most of the alternative asset class exposure will be through funds with absolute return strategies and multi-asset strategies.

Absolute return funds aim to deliver positive returns regardless of the direction of broader investment markets. Multi asset funds invest across different asset classes, seeking to achieve asset diversification within the one fund.

A portion of the Fund will be invested in low-cost investments that track the performance of mainstream asset classes (but the Fund itself does not seek to track any index). No more than 50% of the Fund will be invested in index-tracking investments.

The Fund may also hold other assets, including company shares, government bonds, investment grade and/or sub-investment grade corporate bonds and cash.

Bonds are like loans that pay a fixed or variable rate of interest issued by governments, companies and other large organisations worldwide. Bonds are classified by rating agencies for their creditworthiness: those rated 'investment grade' generally carry a relatively low risk of default but also tend to offer lower yields than 'non-investment grade' bonds which, in turn, generally have a higher risk of default but also tend to offer higher yields.

The Fund may use derivatives, which are sophisticated instruments whose value is linked to the rise and fall of other assets, to achieve its investment objectives and for the purposes of hedging and efficient portfolio management, with the aim of managing risk and cost.

The Fund is actively managed. This means the Investment Manager uses their expertise to pick investments to achieve the Fund's objective.

Any income this share class generates will be paid out to you.

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

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

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

Risk and reward profile

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

Typically lower rewards, lower risk — **Typically higher rewards, higher risk**

1	2	**3**	4	5	6	7

- The Fund is ranked at 3 because funds of this type have experienced low to medium rises and falls in value in the past. Please note that even the lowest risk class can lose you money and that extreme market circumstances can mean you suffer severe losses in all cases. The indicator does not take into account the following risks of investing in this Fund:
- Investing overseas can bring additional returns and spread risk to different markets. There are risks, however, that changes in currency exchange rates may cause the value of your investment to decrease or increase.
- Investing in other funds may expose investors to increased risk due to less strict regulations and the use of derivatives. These other funds can themselves invest into 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 Fund.
- In difficult market conditions, the value of some investments may be less predictable than normal and the Fund may not be able to buy and sell these investments at the best time or at a fair price. This could affect the Fund's performance, potentially reducing your returns.
- The Fund may invest in bond funds which will be impacted by changes in interest rates, inflation and any decline in creditworthiness of the underlying bond issuers.
- The Fund can use derivatives in order to meet its investment objectives or to protect from price and currency movement. This may result in gains or losses that are greater than the original amount invested.
- For further risk information please see the Prospectus.

MI Quilter Cheviot Diversified Returns Fund

Fund Information

Charges

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

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

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

Charges taken from the Fund over a year	
Ongoing charges	0.73%

Charges taken from the Fund under specific conditions	
Performance fee	NONE

- The ongoing charges figure is based on the last year's expenses and may vary from year to year. It excludes the costs of buying or selling assets for the Fund (unless these assets are shares of another fund).
- For the ongoing charge, the figure is as at 31 October 2022.
- You may also be charged a dilution levy on entry to or exit from the Fund, this is to cover costs associated with your transaction.
- For more information about charges, please see the prospectus.

Past performance

	2018	2019	2020	2021	2022
Fund					-4.6

Source: FE fundinfo 2023

- You should be aware that past performance is not a guide to future performance.
- Fund launch date: 30/09/2021.
- Share/unit class launch date: 30/09/2021.
- Performance is calculated in GBP.

Practical information

- This document is issued by Apex Fundrock Ltd and contains information on the A Income Shares only ("MI" and "MI Funds" are trading names of the ACD).
- Each fund of the Company has its own pool of assets and liabilities, segregated by law. If one fund were unable to pay for its liabilities the assets of the other funds could not be used to pay for those liabilities.
- You can get further detailed information regarding the Fund, including details of the investment manager and how to switch, buy and sell shares and other share classes available, within the prospectus, the supplementary information document and the annual and half yearly managers' reports. You can get these free of charge from Apex Fundrock Ltd, Hamilton Centre, Rodney Way, Chelmsford, Essex CM1 3BY or from our website: www.fundrock.com. These are available in English only. You can call us on 0345 521 1006, or look on our website for the latest unit prices.
- Details of the ACD's remuneration policy (including a description of how remuneration and benefits are calculated, the composition of the remuneration committee and the identities of persons responsible for awarding remuneration and benefits) are available at www.fundrock.com/mi-fund-data or by requesting a paper copy free of charge (see above for contact details).
- The Depositary of the Fund is Northern Trust Investor Services Limited.
- Please note that the tax laws of the United Kingdom may impact your own tax position.

MI Quilter Cheviot European Equity Fund

Sub-Fund Overall Value Assessment score 30th April 2023

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

Good

The Fund has only been in existence for 18 months and its objectives are a rolling five year period of performance, therefore it is too early to judge long term value.

Sub-Fund Performance 30th April 2023

The MI Quilter Cheviot European Equity Fund has a stated objective of delivering capital growth and income on a rolling five year, the fund managers also reference the Fund's performance against the MSCI Europe ex UK Index, the Fund can also be compared to funds in the IA Europe ex UK sector. Over the year to the end of April 2023 the Fund returned 13.6% compared to the MSCI Europe ex UK Index 13%. Over the same period the IA Europe ex UK sector returned 10.9% and the MI Quilter Cheviot European Equity Fund would be in the second quartile of comparator funds.

1 Year	Good
3 Years	N/A
5 Years	N/A

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

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

Market Commentary

Following the tumultuous backdrop experienced for much of 2022, and despite the continued uncertainty surrounding the global economic outlook, financial markets made a gradual recovery over the final six months of the year covered within this annual report. Indeed, although the narrative has continued to shift back and forth, in recent months investors have been largely anticipating light at the end of the aggressive interest rate rise tunnel. Meanwhile, the UK government has experienced a period of relative political stability following the appointment of Rishi Sunak, the new Prime Minister, and his administration. This move marked a return to a more orthodox economic policy, with UK assets staging a recovery and the pound recovering from its September nadir. Elsewhere, China's sudden abandonment of its 'zero-Covid' policy improved sentiment and led to strong gains in Asian stock markets in the fourth quarter of 2022. While this move should lead to a rise in global economic activity, we do believe there will be domestic setbacks along the way, with ongoing geopolitical tensions also continuing to cloud the picture.

Global stock markets posted positive returns in the first quarter of 2023, with the MSCI All Country World Index returning 4.5% for a sterling-based investor. These gains followed in the wake of a positive final quarter of 2022, the first of the year, as markets rallied strongly from their October lows. Market volatility reduced in April, with stock and bond markets experiencing calmer conditions after the banking-orientated concerns of the preceding month.

Since the Federal Reserve ('Fed') embarked on its interest rate rising cycle just over a year ago, they have lifted the funds rate from 0.25% to 5.00%. The Bank of England ('BoE') and European Central Bank ('ECB') have also raised rates to 4.25% and 3.5% respectively as at the end of April 2023. Price pressures in most places decreased during the first quarter, but there were warning signs that high inflation may prove stickier than hoped – a 10.4% annual increase in the UK Consumer Prices Index to March 2023 being the sixth consecutive month the metric had been in the double-digit territory. Inflationary pressures have been more apparent in services than goods, driven to a greater extent by higher wages as commodity prices have cooled, although soaring food costs remain problematic. Europe exemplified this with a closing of the spread between headline and core inflation, as the March headline figure fell to a one year low while the core equivalent hit a new eurozone high of 5.7%. Despite this, European equities extended their recent run, continuing to outperform the UK and US and ending the month of April up over 4%.

Corporate profits have so far held up better than many expected in the face of tighter global monetary policy, as corporations' ability to pass on rising costs has become more apparent, even at the expense of small volume declines. This is evidenced by the numerous consumer staple and discretionary firms that have published results showing growth in overall sales revenue, even though volumes have fallen.

In the banking sector, the recent collapse of Silicon Valley Bank ('SVB') and a government-brokered takeover of Credit Suisse by UBS caused heightened near-term volatility, but the avoidance of a wider fallout has seemingly reassured investors for now. Although rising interest rates played a role in the demise of both institutions, their downfall was largely due to factors specific to themselves, rather than being indicative of systemic weakness. In the case of Credit Suisse, the takeover was preceded by a prolonged period of poor performance, while for SVB interest rate risk mismanagement can ultimately be seen as the root cause. US regional banks are now expected to face tighter regulatory scrutiny which, along with the issues recently experienced, will cause a tightening of credit and perhaps more consolidation in the sector. Recent reports show large withdrawals from banks, with the capital flowing into money market funds. Should this continue, it will tighten financial conditions further and weigh on economic activity as well as weaken banks. Large US lenders and European banks seem relatively better off at present, with far larger capital buffers than 15 years ago.

The key issues now for markets, as far as we are concerned, are how the relevant authorities manage the rehabilitation process for the impacted regional banks, and how successful they are in preventing widespread contagion. Central banks are able to print money at the requisite level to prevent a total collapse, but as this is at odds with their current inflation-fighting efforts, it remains to be seen how much appetite they have to go down this route.

Our view is that the situation will likely linger at a similar level to present conditions, providing a delicate balancing act. This will have an adverse impact on the broader economy, increasing the probability of a recession with general lending conditions tightening as standards are raised.

Investment Review

During the year ended 30 April 2023, the A Income Class returned 13.62 in GBP terms, marginally outperforming its comparator benchmark, the MSCI Europe ex UK Index (net), which returned 13.00%~ in GBP terms.*

From an attribution perspective, security selection – as opposed to sector allocations – was the primary driver of relative returns, with contributions from across the Energy, Industrials, Information Technology and Materials exposures. These included holdings in TotalEnergies, Siemens, Airbus, Infineon Technologies and CRH, the manufacturer and supplier of building materials in North America and Europe. Security selection was also positive within the Consumer Discretionary sector, albeit partially offset by the underweight allocation. Notable holdings in this space include names such as LVMH Moët Hennessy Louis Vuitton, Prosus (the global internet group comprising a large stake in Chinese internet company Tencent) and Stellantis (formed by a merger between Peugeot and Fiat Chrysler, and now the fourth largest carmaker globally by units sold, with a strong presence in Europe, North America, and Latin America).

Negative contributors over the year included the Sub-fund's exposure to Utilities, represented via the holding in EDP Renováveis (EDPR), one of the few listed renewables pure plays in Europe. The company owns and operates a pipeline of wind and solar farms, predominantly within Europe and the US, and we believe the share price is appealing for what remains a leading name in its field. The Sub-fund's Consumer Staples exposure also detracted, due largely to specialised food ingredients supplier Kerry. Finally, the Sub-fund's small cap exposure, achieved via JP Morgan's Europe Smaller Companies, lagged the broader market as the economic and market conditions experienced in 2022 created significant headwinds for smaller companies, in contrast to better capitalised large-cap stocks.

We were active in our positioning of the Sub-fund over the year. Given the evolving economic outlook and significant rotation in market leadership experienced throughout the period, we sought to adopt a proactive approach to both sector allocations and security selection decisions, managing risk while remaining on the lookout for the long-term opportunities that market volatility usually provides.

During the second quarter of 2022, the overarching theme was a rotation towards more defensively-positioned segments of the market. We exited German industrial company Kion, a leader in industrial trucks and services and supply chain solutions, amid the worsening economic outlook. The position in Volkswagen was also sold, given the company's underlying earnings cyclicality. We trimmed names such as ASML (which designs and manufactures equipment essential to the semiconductor industry), Infineon Technologies (which engages in the provision of power semiconductors and sensor solutions) and Cellnex Telecom (the wireless telecommunications and broadcasting infrastructure operator). While we believe these to be fundamentally attractive companies, reducing the positions ensured greater balance across the Sub-fund's holdings at a time of extreme uncertainty. Exposure was increased to names such as Allianz, Nestlé, Sanofi and the oil major TotalEnergies. Two new positions were also added during the quarter: Deutsche Telekom, a well-managed business offering security in difficult times, and Gecina, a leading French office real estate company with a balanced sustainable growth model and trading on an attractive valuation.

During the third quarter we sold our remaining position in Adidas (having reduced it earlier in the period), investing the proceeds into wine and spirits operator Pernod Ricard, luxury goods company LVMH Moët Hennessy Louis Vuitton and telecommunications company Deutsche Telekom.

In the second half of the period, and in the wake of October's market nadir, a number of the 'defensive earners' amongst these names were trimmed in favour of areas deemed more attractive from a risk / return perspective. While we continue to see all of these companies as core holdings, we considered the headline balance of exposures in dialling down their weights, while simultaneously adding to areas where we see greater opportunity.

Within the Consumer Discretionary allocation, we initiated a position in Compagnie Financière Richemont, a leading luxury goods company incorporating flagship names such as Cartier, Montblanc and Van Cleef & Arpels. We see Compagnie Financière Richemont as well placed to benefit from a more economically resilient high-net-worth consumer and exciting growth prospects in the Chinese market, while also complementing the strategies' existing investment in fellow luxury goods name LVMH Moët Hennessy Louis Vuitton.

Elsewhere, we reintroduced Schindler, one of the world's largest elevator and escalator providers, having originally sold the position in Q1 2022 amid concerns regarding the increasingly difficult market backdrop and ongoing uncertainty in China. We also added to Schneider Electric, the electricity distribution and industrial automation specialist. Finally, in a world of higher interest rates and higher net interest income we increased exposure to ING Groep and BNP Paribas.

Outlook

Despite the prospect of relatively weak earnings this year, investors appear to be looking forward to a recovery in 2024, supported by lower bond yields. We think equity markets may have got ahead of themselves in the short-term, as history suggests that weaker growth, even when accompanied by falling interest rates, can prove challenging for risk assets.

Derivatives markets are still pricing in interest rate cuts before the end of 2023, putting the year end implied Fed funds rate at 4.3%. This contrasts with the situation in the UK, where markets expect interest rates to be higher at the end of the year, forecasting that Bank of England rate setters will look through a softening economy and maintain their vigilant stance on stubbornly high inflation.

Given how many moving parts there are to the current global economic picture, and the elevated degree of short-term uncertainty that exists, we believe it sensible to avoid making an aggressive call on the prospects of any one investment "style" or sector at this point in time. Having seen already this year how quickly the narrative can shift, it is our view that remaining flexible and pragmatic in our positioning of the Sub-fund, while incorporating the analysis offered by our investment research colleagues, remains the correct approach to take at this point in the cycle.

**Source: Financial Express, 27 June 2023. All figures to 30 April 2023.*

~Source: Data provided by FactSet.

MI Quilter Cheviot European Equity Fund

Fund Information

Non-UCITS retail scheme Key Investor Information

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

MI Quilter Cheviot European Equity Fund (“the Fund”) A Income Shares

This is a sub fund of MI Quilter Cheviot Investment Funds. The Fund is a non-UCITS retail scheme Open Ended Investment Company.
ISIN: GB00BMT7QP23.
Apex Fundrock Ltd is the Authorised Corporate Director of the Fund (“MI” and “MI Funds” are trading names of the ACD).

Objectives and investment policy

The Fund aims to deliver capital growth and income on a rolling five-year basis, by investing in the shares of companies in developed European markets, excluding the UK.

The Fund will invest at least 90% directly into European company shares or indirectly through other investment funds (which may include those that are managed or operated by the ACD or an associate of the ACD) which themselves invest in the shares of European companies.

The Fund will typically invest at least 80% of the portfolio directly but at times, dependent on market conditions and the Investment Manager's view of the market, the direct exposure may be higher or lower than 80% but is never expected to fall below 60%.

The Fund may also hold other assets, including cash.

The Fund may only make use of derivatives, which are sophisticated instruments whose value is linked to the rise and fall of other assets, for the purposes of hedging and efficient portfolio management, with the aim of managing risk and cost.

The Fund is actively managed. This means the Investment Manager uses their expertise to pick investments to achieve the Fund's objective.

Any income this share class generates will be paid out to you.

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

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

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

Risk and reward profile

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

Typically lower rewards, lower risk — **Typically higher rewards, higher risk**

1	2	3	4	5	**6**	7

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

MI Quilter Cheviot European Equity Fund

Fund Information

Charges

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

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

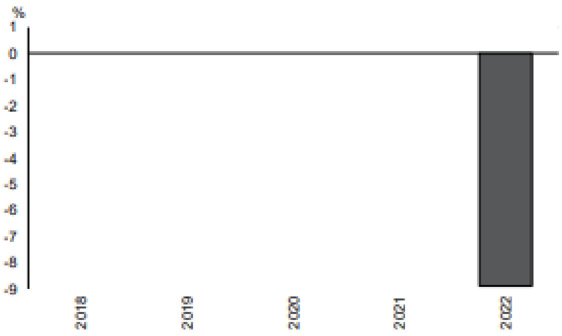
These are the maximum charges that we might take out of your money before it is invested and before we pay out the sale proceeds of your investment. In some cases, you might pay less and you should speak to your financial adviser about this.

Charges taken from the Fund over a year	
Ongoing charges	0.23%

Charges taken from the Fund under specific conditions	
Performance fee	NONE

- The ongoing charges figure is based on the last year's expenses and may vary from year to year. It excludes the costs of buying or selling assets for the Fund (unless these assets are shares of another fund).
- For the ongoing charge, the figure is as at 31 October 2022.
- You may also be charged a dilution levy on entry to or exit from the Fund, this is to cover costs associated with your transaction.
- For more information about charges, please see the prospectus.

Past performance



	2018	2019	2020	2021	2022
Fund					-8.9

Source: FE fundinfo 2023

- You should be aware that past performance is not a guide to future performance.
- Fund launch date: 30/09/2021.
- Share/unit class launch date: 30/09/2021.
- Performance is calculated in GBP.

Practical information

- This document is issued by Apex Fundrock Ltd and contains information on the A Income Shares only ("MI" and "MI Funds" are trading names of the ACD).
- Each fund of the Company has its own pool of assets and liabilities, segregated by law. If one fund were unable to pay for its liabilities the assets of the other funds could not be used to pay for those liabilities.
- You can get further detailed information regarding the Fund, including details of the investment manager and how to switch, buy and sell shares and other share classes available, within the prospectus, the supplementary information document and the annual and half yearly managers' reports. You can get these free of charge from Apex Fundrock Ltd, Hamilton Centre, Rodney Way, Chelmsford, Essex CM1 3BY or from our website: www.fundrock.com. These are available in English only. You can call us on 0345 521 1006, or look on our website for the latest unit prices.
- Details of the ACD's remuneration policy (including a description of how remuneration and benefits are calculated, the composition of the remuneration committee and the identities of persons responsible for awarding remuneration and benefits) are available at www.fundrock.com/mi-fund-data or by requesting a paper copy free of charge (see above for contact details).
- The Depositary of the Fund is Northern Trust Investor Services Limited.
- Please note that the tax laws of the United Kingdom may impact your own tax position.

MI Quilter Cheviot Fixed Interest Fund

Sub-Fund Overall Value Assessment score 30th April 2023

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

Good

The Fund has only been in existence for 18 months and its objectives are a rolling five year period of performance, therefore it is too early to judge long term value.

Sub-Fund Performance 30th April 2023

The MI Quilter Cheviot Fixed Interest Fund has a stated objective of delivering income and the potential for capital growth on a rolling five year, the fund managers also reference the Fund's performance against the Markit iBoxx Sterling Overall Index. Over the year to the end of April 2023 the Fund returned -13.2% compared to the Markit iBoxx Sterling Overall Index -14%.

1 Year	Good
3 Years	N/A
5 Years	N/A

Investors should recognise that the Fund is actively managed and is SRRI risk rated 4 and that short-term market volatility can affect the performance over all time periods positively or negatively. Every fund will have periods of weak performance, and this should also be considered when investing in any fund.

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

Market Commentary

Following the tumultuous backdrop experienced for much of 2022, and despite the continued uncertainty surrounding the global economic outlook, financial markets made a gradual recovery over the final six months of the year covered within this annual report. Indeed, although the narrative has continued to shift back and forth, in recent months investors have been largely anticipating light at the end of the aggressive interest rate rise tunnel. Meanwhile, the UK government has experienced a period of relative political stability following the appointment of Rishi Sunak, the new Prime Minister, and his administration. This move marked a return to a more orthodox economic policy, with UK assets staging a recovery and the pound recovering from its September nadir. Elsewhere, China's sudden abandonment of its 'zero-Covid' policy improved sentiment and led to strong gains in Asian stock markets in the fourth quarter of 2022. While this move should lead to a rise in global economic activity, we do believe there will be domestic setbacks along the way, with ongoing geopolitical tensions also continuing to cloud the picture.

Global stock markets posted positive returns in the first quarter of 2023, with the MSCI All Country World Index returning 4.5% for a sterling-based investor. These gains followed in the wake of a positive final quarter of 2022, the first of the year, as markets rallied strongly from their October lows. Market volatility reduced in April, with stock and bond markets experiencing calmer conditions after the banking-orientated concerns of the preceding month.

Since the Federal Reserve ('Fed') embarked on its interest rate rising cycle just over a year ago, they have lifted the funds rate from 0.25% to 5.00%. The Bank of England ('BoE') and European Central Bank ('ECB') have also raised rates to 4.25% and 3.5% respectively as at the end of April 2023. Price pressures in most places decreased during the first quarter, but there were warning signs that high inflation may prove stickier than hoped – a 10.4% annual increase in the UK Consumer Prices Index to March 2023 being the sixth consecutive month the metric had been in the double-digit territory. Inflationary pressures have been more apparent in services than goods, driven to a greater extent by higher wages as commodity prices have cooled, although soaring food costs remain problematic. Europe exemplified this with a closing of the spread between headline and core inflation, as the March headline figure fell to a one year low while the core equivalent hit a new eurozone high of 5.7%. Despite this, European equities extended their recent run, continuing to outperform the UK and US and ending the month of April up over 4%.

Corporate profits have so far held up better than many expected in the face of tighter global monetary policy, as corporations' ability to pass on rising costs has become more apparent, even at the expense of small volume declines. This is evidenced by the numerous consumer staple and discretionary firms that have published results showing growth in overall sales revenue, even though volumes have fallen.

In the banking sector, the recent collapse of Silicon Valley Bank ('SVB') and a government-brokered takeover of Credit Suisse by UBS caused heightened near-term volatility, but the avoidance of a wider fallout has seemingly reassured investors for now. Although rising interest rates played a role in the demise of both institutions, their downfall was largely due to factors specific to themselves, rather than being indicative of systemic weakness. In the case of Credit Suisse, the takeover was preceded by a prolonged period of poor performance, while for SVB interest rate risk mismanagement can ultimately be seen as the root cause. US regional banks are now expected to face tighter regulatory scrutiny which, along with the issues recently experienced, will cause a tightening of credit and perhaps more consolidation in the sector. Recent reports show large withdrawals from banks, with the capital flowing into money market funds. Should this continue, it will tighten financial conditions further and weigh on economic activity as well as weaken banks. Large US lenders and European banks seem relatively better off at present, with far larger capital buffers than 15 years ago.

The key issues now for markets, as far as we are concerned, are how the relevant authorities manage the rehabilitation process for the impacted regional banks, and how successful they are in preventing widespread contagion. Central banks are able to print money at the requisite level to prevent a total collapse, but as this is at odds with their current inflation-fighting efforts, it remains to be seen how much appetite they have to go down this route.

Our view is that the situation will likely linger at a similar level to present conditions, providing a delicate balancing act. This will have an adverse impact on the broader economy, increasing the probability of a recession with general lending conditions tightening as standards are raised.

Investment Review

During the year ended 30 April 2023, the A Income Class returned -13.17% in GBP terms, outperforming its comparator benchmark, the Markit iBoxx Sterling Overall Index, which returned -13.96%~ in GBP terms.*

The gilt market was at the epicentre of the sell-off following the "mini-budget" crisis in September. Combined with the aforementioned sharp rise in interest rates across the globe, it has been a particularly challenging time for fixed interest investors. Signs of respite came when bond markets posted a positive return in the fourth quarter of 2022, with this momentum continuing into January 2023. However, the strong rally fizzled out in February due to persistently strong economic data. Turmoil in the banking sector reinvigorated calls for an imminent end to central banks increasing rates, and bond prices moved firmly higher while equity markets were hit by bouts of volatility. While the Fed increased rates after the collapse of SVB, expectations for further increases have somewhat diminished, with markets once more pricing in cuts before year end. We believe that bonds offer attractive long-term value at this stage, particularly in the UK, although sticky inflation and elevated issuance levels remain a concern.

Turning to activity, and during the period we exited PIMCO GIS Global Investment Grade Credit, investing the proceeds across the existing holdings in Royal London Sterling Credit, Vanguard UK Investment Grade Bond and Federated Hermes Unconstrained Credit. In September we also modestly reduced the duration (a measurement of sensitivity to interest rate changes) of the Sub-fund's gilt exposure, adjusting the mix of securities held across the conventional and index-linked allocations in the process.

Later in the year, given the ongoing worries about the banking sector, as well as Fed tightening and the risk of recession, we decided to increase the defensiveness of the Sub-fund's corporate bond exposure, reducing the weighting in Federated Hermes Unconstrained Credit in favour of Wellington Global Credit ESG. The Wellington Global Credit ESG Fund invests primarily in investment grade-rated corporate bonds, but has the flexibility to add value across securitised, government, high yield and emerging markets debt. Lastly, we incorporated several short-dated European Investment Bank ('EIB') bonds, taking advantage of what we perceived to be relatively attractive yields to maturity when compared to their conventional gilt counterparts.

Outlook

Despite the prospect of relatively weak earnings this year, investors appear to be looking forward to a recovery in 2024, supported by lower bond yields. We think equity markets may have got ahead of themselves in the short-term, as history suggests that weaker growth, even when accompanied by falling interest rates, can prove challenging for risk assets.

Derivatives markets are still pricing in interest rate cuts before the end of 2023, putting the year end implied Fed funds rate at 4.3%. This contrasts with the situation in the UK, where markets expect interest rates to be higher at the end of the year, forecasting that Bank of England rate setters will look through a softening economy and maintain their vigilant stance on stubbornly high inflation. Having seen already this year how quickly the narrative can shift, it is our view that remaining flexible and pragmatic in our positioning of the Sub-fund, while incorporating the analysis offered by our investment research colleagues, remains the correct approach to take at this point in the cycle.

**Source: Financial Express, 27 June 2023. All figures to 30 April 2023.*

~Source: Data provided by FactSet.

Non-UCITS retail scheme Key Investor Information

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

MI Quilter Cheviot Fixed Interest Fund ("the Fund") A Income Shares

This is a sub fund of MI Quilter Cheviot Investment Funds. The Fund is a non-UCITS retail scheme Open Ended Investment Company.
ISIN: GB00BMT7QH49.
Apex Fundrock Ltd is the Authorised Corporate Director of the Fund ("MI" and "MI Funds" are trading names of the ACD).

Objectives and investment policy

The Fund aims to deliver income and the potential for capital growth on a rolling five-year basis, by investing predominantly in a diversified portfolio of UK and global bonds either directly or indirectly.

The Fund's indirect investments will include other investment funds (which may include those that are managed or operated by the ACD or an associate of the ACD), to give further bonds exposure.

The Fund expects to invest 60% or greater in conventional gilts issued by the UK Government, index linked gilts and in investment grade corporate bonds.

The Fund may also hold other assets, including global sovereign debt and sub-investment grade corporate bonds and cash.

Bonds are like loans that pay a fixed or variable rate of interest issued by governments, companies and other large organisations worldwide. Bonds are classified by rating agencies for their creditworthiness: those rated 'investment grade' generally carry a relatively low risk of default but also tend to offer lower yields than 'non-investment grade' bonds which, in turn, generally have a higher risk of default but also tend to offer higher yields.

The Fund may only make use of derivatives, which are sophisticated instruments whose value is linked to the rise and fall of other assets, for the purposes of hedging and efficient portfolio management, with the aim of managing risk and cost.

The Fund is actively managed. This means the Investment Manager uses their expertise to pick investments to achieve the Fund's objective.

Any income this share class generates will be paid out to you.

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

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

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

Risk and reward profile

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

Typically lower rewards, lower risk — **Typically higher rewards, higher risk**

1	2	3	**4**	5	6	7

- The Fund is ranked 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 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. There may be cases where the organisation from which we buy a bond fails to carry out its obligations which could cause losses to the Fund.
- Investing in other funds may expose investors to increased risk due to less strict regulations and the use of derivatives. These other funds can themselves invest into 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 Fund.
- The level of income may go down as well as up and is not guaranteed.
- Investing overseas can bring additional returns and spread risk to different markets. There are risks, however, that changes in currency exchange rates may cause the value of your investment to decrease or increase.
- For further risk information please see the Prospectus.

MI Quilter Cheviot Fixed Interest Fund

Fund Information

Charges

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

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

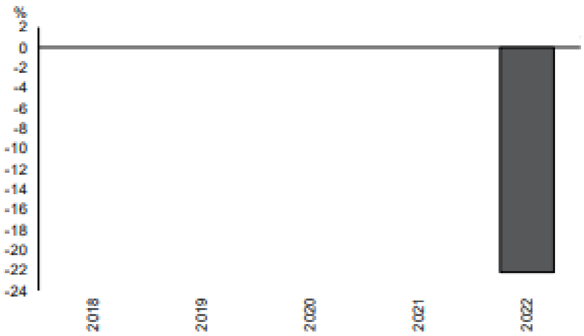
These are the maximum charges that we might take out of your money before it is invested and before we pay out the sale proceeds of your investment. In some cases, you might pay less and you should speak to your financial adviser about this.

Charges taken from the Fund over a year	
Ongoing charges	0.28%

Charges taken from the Fund under specific conditions	
Performance fee	NONE

- The ongoing charges figure is based on the last year's expenses and may vary from year to year. It excludes the costs of buying or selling assets for the Fund (unless these assets are shares of another fund).
- For the ongoing charge, the figure is as at 31 October 2022.
- You may also be charged a dilution levy on entry to or exit from the Fund, this is to cover costs associated with your transaction.
- For more information about charges, please see the prospectus.

Past performance



	2018	2019	2020	2021	2022
Fund					-22.2

Source: FE fundinfo 2023

- You should be aware that past performance is not a guide to future performance.
- Fund launch date: 30/09/2021.
- Share/unit class launch date: 30/09/2021.
- Performance is calculated in GBP.

Practical information

- This document is issued by Apex Fundrock Ltd and contains information on the A Income Shares only ("MI" and "MI Funds" are trading names of the ACD).
- Each fund of the Company has its own pool of assets and liabilities, segregated by law. If one fund were unable to pay for its liabilities the assets of the other funds could not be used to pay for those liabilities.
- You can get further detailed information regarding the Fund, including details of the investment manager and how to switch, buy and sell shares and other share classes available, within the prospectus, the supplementary information document and the annual and half yearly managers' reports. You can get these free of charge from Apex Fundrock Ltd, Hamilton Centre, Rodney Way, Chelmsford, Essex CM1 3BY or from our website: www.fundrock.com. These are available in English only. You can call us on 0345 521 1006, or look on our website for the latest unit prices.
- Details of the ACD's remuneration policy (including a description of how remuneration and benefits are calculated, the composition of the remuneration committee and the identities of persons responsible for awarding remuneration and benefits) are available at www.fundrock.com/mi-fund-data or by requesting a paper copy free of charge (see above for contact details).
- The Depositary of the Fund is Northern Trust Investor Services Limited.
- Please note that the tax laws of the United Kingdom may impact your own tax position.

MI Quilter Cheviot North American Equity Fund

Sub-Fund Overall Value Assessment score 30th April 2023

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

Good

The Fund has only been in existence for 18 months and its objectives are a rolling five year period of performance, therefore it is too early to judge long term value.

Sub-Fund Performance 30th April 2023

The MI Quilter Cheviot North American Equity Fund has a stated objective of delivering capital growth and income over a rolling five year basis, the fund managers also reference the Fund's performance against the MSCI North America Index and the Fund can also be compared to funds in the IA North America sector. Over the year to the end of April 2023 the Fund returned 0.3% compared to the MSCI North America Index 1.1%. Over the same period the IA North America sector returned -0.7% and the MI Quilter Cheviot North American Fund would be in the second quartile of comparator funds.

1 Year	Good
3 Years	N/A
5 Years	N/A

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

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

Market Commentary

Following the tumultuous backdrop experienced for much of 2022, and despite the continued uncertainty surrounding the global economic outlook, financial markets made a gradual recovery over the final six months of the year covered within this annual report. Indeed, although the narrative has continued to shift back and forth, in recent months investors have been largely anticipating light at the end of the aggressive interest rate rise tunnel. Meanwhile, the UK government has experienced a period of relative political stability following the appointment of Rishi Sunak, the new Prime Minister, and his administration. This move marked a return to a more orthodox economic policy, with UK assets staging a recovery and the pound recovering from its September nadir. Elsewhere, China's sudden abandonment of its 'zero-Covid' policy improved sentiment and led to strong gains in Asian stock markets in the fourth quarter of 2022. While this move should lead to a rise in global economic activity, we do believe there will be domestic setbacks along the way, with ongoing geopolitical tensions also continuing to cloud the picture.

Global stock markets posted positive returns in the first quarter of 2023, with the MSCI All Country World Index returning 4.5% for a sterling-based investor. These gains followed in the wake of a positive final quarter of 2022, the first of the year, as markets rallied strongly from their October lows. Market volatility reduced in April, with stock and bond markets experiencing calmer conditions after the banking-orientated concerns of the preceding month.

Since the Federal Reserve ('Fed') embarked on its interest rate rising cycle just over a year ago, they have lifted the funds rate from 0.25% to 5.00%. The Bank of England ('BoE') and European Central Bank ('ECB') have also raised rates to 4.25% and 3.5% respectively as at the end of April 2023. Price pressures in most places decreased during the first quarter, but there were warning signs that high inflation may prove stickier than hoped – a 10.4% annual increase in the UK Consumer Prices Index to March 2023 being the sixth consecutive month the metric had been in the double-digit territory. Inflationary pressures have been more apparent in services than goods, driven to a greater extent by higher wages as commodity prices have cooled, although soaring food costs remain problematic. Europe exemplified this with a closing of the spread between headline and core inflation, as the March headline figure fell to a one year low while the core equivalent hit a new eurozone high of 5.7%. Despite this, European equities extended their recent run, continuing to outperform the UK and US and ending the month of April up over 4%.

Corporate profits have so far held up better than many expected in the face of tighter global monetary policy, as corporations' ability to pass on rising costs has become more apparent, even at the expense of small volume declines. This is evidenced by the numerous consumer staple and discretionary firms that have published results showing growth in overall sales revenue, even though volumes have fallen.

In the banking sector, the recent collapse of Silicon Valley Bank ('SVB') and a government-brokered takeover of Credit Suisse by UBS caused heightened near-term volatility, but the avoidance of a wider fallout has seemingly reassured investors for now. Although rising interest rates played a role in the demise of both institutions, their downfall was largely due to factors specific to themselves, rather than being indicative of systemic weakness. In the case of Credit Suisse, the takeover was preceded by a prolonged period of poor performance, while for SVB interest rate risk mismanagement can ultimately be seen as the root cause. US regional banks are now expected to face tighter regulatory scrutiny which, along with the issues recently experienced, will cause a tightening of credit and perhaps more consolidation in the sector. Recent reports show large withdrawals from banks, with the capital flowing into money market funds. Should this continue, it will tighten financial conditions further and weigh on economic activity as well as weaken banks. Large US lenders and European banks seem relatively better off at present, with far larger capital buffers than 15 years ago.

The key issues now for markets, as far as we are concerned, are how the relevant authorities manage the rehabilitation process for the impacted regional banks, and how successful they are in preventing widespread contagion. Central banks are able to print money at the requisite level to prevent a total collapse, but as this is at odds with their current inflation-fighting efforts, it remains to be seen how much appetite they have to go down this route.

Our view is that the situation will likely linger at a similar level to present conditions, providing a delicate balancing act. This will have an adverse impact on the broader economy, increasing the probability of a recession with general lending conditions tightening as standards are raised.

Investment Review

During the year ended 30 April 2023, the A Income Class returned 0.30% in GBP terms, marginally underperforming its comparator benchmark, the MSCI North America Index (net), which returned 1.07%~ in GBP terms. There was significant divergence in performance across underlying sectors as the Fed continued its program of interest rate rises, which continues to have varying impacts on different types of businesses.*

From an attribution perspective, positive absolute and relative returns were seen from the Sub-fund's exposure to the Financials sector, where security selection proved decisive. Despite a difficult period, exacerbated by sentiment fluctuating amid the fallout from the US banking failures, JPMorgan Chase and Ares Management (the leading alternative asset manager) proved their resilience and were key contributors to the positive returns, with global professional services name Marsh & McLennan also performing strongly. Elsewhere, positive security selection across the Communication Services (from Netflix and T-Mobile), Energy (from ExxonMobil and Chevron) and Materials (from Linde – the largest global supplier of industrial, process and specialty gases) sectors also contributed, while the decision to avoid allocating capital to US Real Estate also served the Sub-fund well, as many REITs experienced significant drawdowns.

In contrast, detractors from relative performance included the Sub-fund's exposures to the Consumer Discretionary, Health Care, Industrials and Information Technology sectors. This included weakness in names including APTIV, Amazon, Medtronic, Emerson Electric and Union Pacific. Not holding NVIDIA in the second half of the period also proved detrimental to performance following our sale of the position, although this was partly offset by strength in names such as Advanced Micro Devices and Micron Technology.

We were active in our positioning of the Sub-fund over the year. Given the evolving economic outlook and significant rotation in market leadership experienced throughout the period, we sought to adopt a proactive approach to both sector allocations and security selection decisions, managing risk while remaining on the lookout for the long-term opportunities that market volatility usually provides. In the first six months of the period we selectively reduced Information Technology and Consumer Discretionary names, exiting NVIDIA (the designer and manufacturer of computer graphics processors units, chipsets and related multimedia software) while reducing Advanced Micro Devices (the global semiconductor company) and Tesla. We also exited APTIV, the specialist in connected and autonomous vehicle technology, alongside the remaining exposure to Xylem (specialising in engineered technologies for water and wastewater operations) and Trane Technologies (the heating, ventilation & air conditioning equipment products manufacturer).

The proceeds from these trades were used to increase exposure to those segments of the market that we perceived to be better underpinned amid the prevailing conditions. For instance, we added to oil and gas major ExxonMobil. We also added to pharmaceuticals company Merck and international packaged food company (and owner of the Cadbury, Milka and Oreo brands) Mondelez International, as well as railroad owner and commercial operator Union Pacific. Existing holdings in tobacco company Philip Morris International and global professional services firm Marsh & McLennan were also increased. Micron Technology (the manufacturer of both DRAM and Flash Memory) was re-introduced into the Sub-fund. We see an interesting recovery story here, with these markets showing much more favourable economics going forward. Finally, we also re-introduced a position in T-Mobile, the third largest wireless network operator in the US. While network quality and coverage have been an issue historically, following increased investment the company is gaining traction. Its acquisition of Sprint Corporation has offered huge cost saving opportunities, with the network operating leverage also offering superior growth in profits for a cheap and below sector valuation.

In the second half of the period, and in the wake of October's market nadir, a number of the 'defensive earners' amongst these names were trimmed in favour of areas deemed more attractive from a risk / return perspective. While we continue to see all of these companies as core holdings, we considered the headline balance of exposures in dialling down their weights, while simultaneously adding to areas where we see greater opportunity.

With this in mind, we increased the position in Rockwell Automation (the industrial automation equipment and services provider), having trimmed the stock amid the turbulent first few months of 2022. Nike was added in November at what we believe to be an appealing valuation; we see sportswear as an attractive and growing industry driven by international demand, a greater focus on fitness and the continuation of so-called 'casualisation' trends. In the same month we also added The Walt Disney Company, a business many investors will be familiar with. The stock was weak throughout 2022, and yet with its ubiquitous brands, structural internet TV exposure via Disney+, and significant pent-up demand within its Theme Parks business, we see a strong recovery story here for what remains a high-quality asset.

In December, a new investment was made in Emerson Electric, which designs and supplies control systems, valves, analytical instruments and industrial software to global industrial, commercial and consumer markets. Staying focused on Industrials, Honeywell International was sold later in the period.

Elsewhere, another new name added across the portfolio was Markel, a diverse US financial holding company with a focus on speciality insurance. Possessing a strong business model and impressive track record of successful capital allocation, the business utilises the cash generated from its insurance division to invest in public and private equities. We believe this division has room to surprise to the upside, enabling more cash to be deployed and further growing the book value of the company. Turning to banks, in a world of higher interest rates and higher net interest income we increased exposure to Bank of America, while the holding in JPMorgan Chase was trimmed in late March to manage the headline exposure.

In February we initiated a position in Zoetis, a company exposed to animal health: a multi-billion dollar market that has undergone rapid growth in recent years, and where we see a positive confluence of factors providing an attractive investment opportunity. Zoetis is a market leader in the US, well positioned for future growth given its market leadership, global scale, product pipeline and financial strength. Finally, additional activity in 2023 included topping up exposure to names including Netflix, Taiwan Semiconductor and Advanced Micro Devices ('AMD'), reducing Marsh & McLennan, and exiting Adobe System on the basis of identifying more compelling opportunities to deploy the capital.

Outlook

Despite the prospect of relatively weak earnings this year, investors appear to be looking forward to a recovery in 2024, supported by lower bond yields. We think equity markets may have got ahead of themselves in the short-term, as history suggests that weaker growth, even when accompanied by falling interest rates, can prove challenging for risk assets.

Derivatives markets are still pricing in interest rate cuts before the end of 2023, putting the year end implied Fed funds rate at 4.3%. This contrasts with the situation in the UK, where markets expect interest rates to be higher at the end of the year, forecasting that Bank of England rate setters will look through a softening economy and maintain their vigilant stance on stubbornly high inflation.

Given how many moving parts there are to the current global economic picture, and the elevated degree of short-term uncertainty that exists, we believe it sensible to avoid making an aggressive call on the prospects of any one investment "style" or sector at this point in time. Having seen already this year how quickly the narrative can shift, it is our view that remaining flexible and pragmatic in our positioning of the Sub-fund, while incorporating the analysis offered by our investment research colleagues, remains the correct approach to take at this point in the cycle.

**Source: Financial Express, 27 June 2023. All figures to 30 April 2023.*

~Source: Data provided by FactSet.

MI Quilter Cheviot North American Equity Fund

Fund Information

Non-UCITS retail scheme Key Investor Information

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

MI Quilter Cheviot North American Equity Fund (“the Fund”) A Income Shares

This is a sub fund of MI Quilter Cheviot Investment Funds. The Fund is a non-UCITS retail scheme Open Ended Investment Company.
ISIN: GB00BMT7QM91.
Apex Fundrock Ltd is the Authorised Corporate Director of the Fund (“MI” and “MI Funds” are trading names of the ACD).

Objectives and investment policy

The Fund aims to deliver capital growth and income on a rolling five-year basis, by investing in the shares of North American companies.

The Fund will invest at least 90% directly into North American company shares or indirectly through other investment funds (which may include those that are managed or operated by the ACD or an associate of the ACD) which themselves invest in the shares of North American companies.

The Fund will typically invest at least 80% of the portfolio directly but at times, dependent on market conditions and the Investment Manager’s view of the market, the direct exposure may be higher or lower than 80% but is never expected to fall below 60%.

The Fund may also hold other assets, including cash.

The Fund may only make use of derivatives, which are sophisticated instruments whose value is linked to the rise and fall of other assets, for the purposes of hedging and efficient portfolio management, with the aim of managing risk and cost.

The Fund is actively managed. This means the Investment Manager uses their expertise to pick investments to achieve the Fund’s objective.

Any income this share class generates will be paid out to you.

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

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

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

Risk and reward profile

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

Typically lower rewards, lower risk — **Typically higher rewards, higher risk**

1	2	3	4	5	6	7

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

MI Quilter Cheviot North American Equity Fund

Fund Information

Charges

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

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

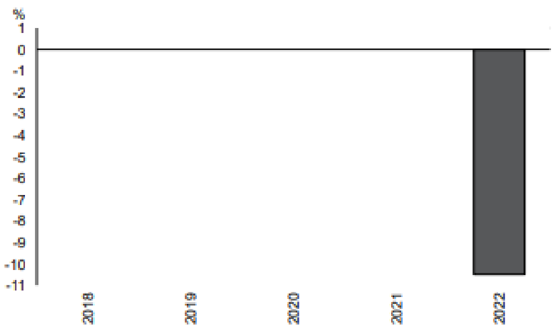
These are the maximum charges that we might take out of your money before it is invested and before we pay out the sale proceeds of your investment. In some cases, you might pay less and you should speak to your financial adviser about this.

Charges taken from the Fund over a year	
Ongoing charges	0.10%

Charges taken from the Fund under specific conditions	
Performance fee	NONE

- The ongoing charges figure is based on the last year's expenses and may vary from year to year. It excludes the costs of buying or selling assets for the Fund (unless these assets are shares of another fund).
- For the ongoing charge, the figure is as at 31 October 2022.
- You may also be charged a dilution levy on entry to or exit from the Fund, this is to cover costs associated with your transaction.
- For more information about charges, please see the prospectus.

Past performance



	2018	2019	2020	2021	2022
Fund					-10.5

Source: FE fundinfo 2023

- You should be aware that past performance is not a guide to future performance.
- Fund launch date: 30/09/2021.
- Share/unit class launch date: 30/09/2021.
- Performance is calculated in GBP.

Practical information

- This document is issued by Apex Fundrock Ltd and contains information on the A Income Shares only ("MI" and "MI Funds" are trading names of the ACD).
- Each fund of the Company has its own pool of assets and liabilities, segregated by law. If one fund were unable to pay for its liabilities the assets of the other funds could not be used to pay for those liabilities.
- You can get further detailed information regarding the Fund, including details of the investment manager and how to switch, buy and sell shares and other share classes available, within the prospectus, the supplementary information document and the annual and half yearly managers' reports. You can get these free of charge from Apex Fundrock Ltd, Hamilton Centre, Rodney Way, Chelmsford, Essex CM1 3BY or from our website: www.fundrock.com. These are available in English only. You can call us on 0345 521 1006, or look on our website for the latest unit prices.
- Details of the ACD's remuneration policy (including a description of how remuneration and benefits are calculated, the composition of the remuneration committee and the identities of persons responsible for awarding remuneration and benefits) are available at www.fundrock.com/mi-fund-data or by requesting a paper copy free of charge (see above for contact details).
- The Depositary of the Fund is Northern Trust Investor Services Limited.
- Please note that the tax laws of the United Kingdom may impact your own tax position.

MI Quilter Cheviot UK Equity Fund

Sub-Fund Overall Value Assessment score 30th April 2023

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

Good

The Fund has only been in existence for 18 months and its objectives are a rolling five year period of performance, therefore it is too early to judge long term value.

Sub-Fund Performance 30th April 2023

The MI Quilter Cheviot UK Equity Fund has a stated objective of delivering capital growth and income over a rolling five year basis, the fund managers also reference the Fund’s performance against the MSCI UK Index and the Fund can also be compared to funds in the IA UK All Companies sector. Over the year to the end of April 2023 the Fund returned 5.6% compared to the MSCI UK Index 8.3%. Over the same period the IA UK All Companies sector returned 1.8% and the MI Quilter Cheviot UK Equity Fund would be in the first quartile of comparator funds.

1 Year	Good
3 Years	N/A
5 Years	N/A

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

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

Market Commentary

Following the tumultuous backdrop experienced for much of 2022, and despite the continued uncertainty surrounding the global economic outlook, financial markets made a gradual recovery over the final six months of the year covered within this annual report. Indeed, although the narrative has continued to shift back and forth, in recent months investors have been largely anticipating light at the end of the aggressive interest rate rise tunnel. Meanwhile, the UK government has experienced a period of relative political stability following the appointment of Rishi Sunak, the new Prime Minister, and his administration. This move marked a return to a more orthodox economic policy, with UK assets staging a recovery and the pound recovering from its September nadir. Elsewhere, China’s sudden abandonment of its ‘zero-Covid’ policy improved sentiment and led to strong gains in Asian stock markets in the fourth quarter of 2022. While this move should lead to a rise in global economic activity, we do believe there will be domestic setbacks along the way, with ongoing geopolitical tensions also continuing to cloud the picture.

Global stock markets posted positive returns in the first quarter of 2023, with the MSCI All Country World Index returning 4.5% for a sterling-based investor. These gains followed in the wake of a positive final quarter of 2022, the first of the year, as markets rallied strongly from their October lows. Market volatility reduced in April, with stock and bond markets experiencing calmer conditions after the banking-orientated concerns of the preceding month.

Since the Federal Reserve ('Fed') embarked on its interest rate rising cycle just over a year ago, they have lifted the funds rate from 0.25% to 5.00%. The Bank of England ('BoE') and European Central Bank ('ECB') have also raised rates to 4.25% and 3.5% respectively as at the end of April 2023. Price pressures in most places decreased during the first quarter, but there were warning signs that high inflation may prove stickier than hoped – a 10.4% annual increase in the UK Consumer Prices Index to March 2023 being the sixth consecutive month the metric had been in the double-digit territory. Inflationary pressures have been more apparent in services than goods, driven to a greater extent by higher wages as commodity prices have cooled, although soaring food costs remain problematic. Europe exemplified this with a closing of the spread between headline and core inflation, as the March headline figure fell to a one year low while the core equivalent hit a new eurozone high of 5.7%. Despite this, European equities extended their recent run, continuing to outperform the UK and US and ending the month of April up over 4%.

Corporate profits have so far held up better than many expected in the face of tighter global monetary policy, as corporations' ability to pass on rising costs has become more apparent, even at the expense of small volume declines. This is evidenced by the numerous consumer staple and discretionary firms that have published results showing growth in overall sales revenue, even though volumes have fallen.

In the banking sector, the recent collapse of Silicon Valley Bank ('SVB') and a government-brokered takeover of Credit Suisse by UBS caused heightened near-term volatility, but the avoidance of a wider fallout has seemingly reassured investors for now. Although rising interest rates played a role in the demise of both institutions, their downfall was largely due to factors specific to themselves, rather than being indicative of systemic weakness. In the case of Credit Suisse, the takeover was preceded by a prolonged period of poor performance, while for SVB interest rate risk mismanagement can ultimately be seen as the root cause. US regional banks are now expected to face tighter regulatory scrutiny which, along with the issues recently experienced, will cause a tightening of credit and perhaps more consolidation in the sector. Recent reports show large withdrawals from banks, with the capital flowing into money market funds. Should this continue, it will tighten financial conditions further and weigh on economic activity as well as weaken banks. Large US lenders and European banks seem relatively better off at present, with far larger capital buffers than 15 years ago.

The key issues now for markets, as far as we are concerned, are how the relevant authorities manage the rehabilitation process for the impacted regional banks, and how successful they are in preventing widespread contagion. Central banks are able to print money at the requisite level to prevent a total collapse, but as this is at odds with their current inflation-fighting efforts, it remains to be seen how much appetite they have to go down this route.

Our view is that the situation will likely linger at a similar level to present conditions, providing a delicate balancing act. This will have an adverse impact on the broader economy, increasing the probability of a recession with general lending conditions tightening as standards are raised.

Investment Review

During the year ended 30 April 2023, the A Income Class returned 5.60% in GBP terms, underperforming its comparator benchmark, the MSCI United Kingdom Index (net), which returned 8.31%~ in GBP terms.*

From an attribution perspective, there were several contributors to the Sub-fund's underperformance. The first of these was weakness in the Financials sector, driven by an underweight position in HSBC and overweight position to specialist asset manager Intermediate Capital. The Sub-fund's Real Estate exposure was also a key detractor over the year, driven by the sole holding in SEGRO. The company is a UK-based industrial / logistics landlord, with around 70% of its property in the UK and the remainder across Continental Europe. Many of Segro's industrial assets are irreplaceable, with 50% located in London and the South-East, including air-side property at Heathrow. The company has a significant development land portfolio in both the UK and Europe, with considerable expertise in this field, while also being well-placed to reap the benefits of the growth in online retailing. We believe SEGRO continues to be a high quality operator in its field trading at an attractive valuation.

Elsewhere, holdings in Halma and Darktrace within the Information Technology sector detracted from relative performance, with the latter holding introduced during the course of the period. As outlined in the interim report, Darktrace's products use artificial intelligence to detect, respond and repair corporates' IT infrastructure during cyber security attacks. Despite the relatively short-term share price weakness experienced since its purchase, we believe the company remains well-placed to grow within an area of software and services that we remain positive towards.

Focusing on the Sub-fund's allocation to UK smaller companies, and while the headline exposure to this segment of the market was reduced during the course of the period, FTF Franklin UK Smaller Companies significantly lagged the broader market, thereby *detracting from relative performance. A number of holdings experienced weak trading updates and / or profit warnings in 2023; factors which we believe to be driven by relatively temporary considerations. The manager retains a focus on 'quality' and 'growth' factors when selecting company, albeit with a strong valuation discipline, and we believe the portfolio continues to provide attractive exposure to smaller UK companies.*

We were active in our positioning of the Sub-fund over the year. Given the evolving economic outlook and significant rotation in market leadership seen throughout the period, we sought to adopt a proactive approach to both sector allocations and security selection decisions, managing risk while remaining on the lookout for the long-term opportunities that market volatility usually provides.

The overarching theme throughout the second quarter of 2022 was the continued reduction of the Sub-fund's exposure to the UK consumer, a decision taken in light of the current cost of living squeeze and negative economic outlook. We sold Travis Perkins – the UK's largest supplier of building materials – on the basis of a gradually deteriorating outlook for the company's core markets of renovation, maintenance and improvements ('RMI'). Elsewhere, we exited our position in Ocado, the largest dedicated online grocery retailer, pivoting in favour of companies with more robust earnings characteristics. Indeed, these purchases reflected a deliberate move towards more defensive holdings given the prevailing uncertainty. Positions were increased in global pharmaceutical company GSK and National Grid, for instance, alongside additions to British American Tobacco and consumer goods business Unilever. Bucking this theme, we also initiated a position in Melrose Industries: the turnaround specialist which acquires underperforming manufacturing businesses in order to improve their operational performance. With a demonstrable track record of execution and trading at a significant discount to its long-term average, we saw this as an opportune moment to add to the stock. Indeed, the positioned has performed strongly since its addition, as has another Industrials name – IMI, the global engineering company – which was introduced in the latter stages of the period.

Activity was more muted in the third quarter of 2022 – in acknowledgement of the work already undertaken amid the fast-changing market and economic landscape seen during the first half of 2022 – although there were still a number of stock-specific changes that we chose to implement over the year. We further trimmed the exposure to UK smaller companies given the worsening domestic economic outlook, and added to Haleon, the consumer healthcare business that demerged from GSK in July. We expect consumer health to remain one of the faster growing consumer staples categories, and Haleon's growth should be further enhanced by the transfer of prescription medicines to over the counter sales. In time we see the growth and experience of the business as a separate company leading to a premium valuation.

In the second half of the period, and in the wake of October's market nadir, a number of the 'defensive earners' amongst these names were trimmed in favour of areas deemed more attractive from a risk / return perspective. While we continue to see these companies as core holdings, we considered the headline balance of exposures in dialling down their weights, while simultaneously adding to areas where we see greater opportunity.

Across the Sub-fund's Financials exposure, we initiated a new position in NatWest, the most sensitive of the UK banks to increasing earnings from higher net interest income. The company possesses a resilient balance sheet, and trades at a relatively undemanding valuation. Later in the period we exited Barclays, choosing to consolidate the Sub-fund's bank holdings within HSBC, Standard Chartered and NatWest.

Several names were added amid the market turbulence and sustained share price weakness experienced over the year. As already mentioned, we initiated a new position in Darktrace within the Information Technology sector. Within the Health Care sector, Dechra Pharmaceuticals – which develops, manufactures and markets products for veterinarians – was added in early 2023. Providing exposure to the theme of animal health (a multi-billion dollar market that has undergone rapid growth in recent years) the position was sold following the announcement of a possible cash offer for the company, resulting in a pleasing gain from what ultimately proved to be a short holding period.

Finally, within the Communication Services sector (an allocation previously unrepresented within the Sub-fund) we purchased BT in the final weeks of the period. We see a number of catalysts allowing the company to pivot to growth after years of declining revenue. This thesis is complemented by the potential for rationalisation of the UK fixed and wireless markets, as well as an attractive group valuation.

Outlook

Despite the prospect of relatively weak earnings this year, investors appear to be looking forward to a recovery in 2024, supported by lower bond yields. We think equity markets may have got ahead of themselves in the short-term, as history suggests that weaker growth, even when accompanied by falling interest rates, can prove challenging for risk assets.

Derivatives markets are still pricing in interest rate cuts before the end of 2023, putting the year end implied Fed funds rate at 4.3%. This contrasts with the situation in the UK, where markets expect interest rates to be higher at the end of the year, forecasting that Bank of England rate setters will look through a softening economy and maintain their vigilant stance on stubbornly high inflation.

Given how many moving parts there are to the current global economic picture, and the elevated degree of short-term uncertainty that exists, we believe it sensible to avoid making an aggressive call on the prospects of any one investment "style" or sector at this point in time. Having seen already this year how quickly the narrative can shift, it is our view that remaining flexible and pragmatic in our positioning of the Sub-fund, while incorporating the analysis offered by our investment research colleagues, remains the correct approach to take at this point in the cycle.

**Source: Financial Express, 27 June 2023. All figures to 30 April 2023.*

~Source: Data provided by FactSet.

MI Quilter Cheviot UK Equity Fund

Fund Information

Non-UCITS retail scheme Key Investor Information

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

MI Quilter Cheviot UK Equity Fund ("the Fund")
A Income Shares

This is a sub fund of MI Quilter Cheviot Investment Funds. The Fund is a non-UCITS retail scheme Open Ended Investment Company.
ISIN: GB00BMT7QK77.
Apex Fundrock Ltd is the Authorised Corporate Director of the Fund ("MI" and "MI Funds" are trading names of the ACD).

Objectives and investment policy

The Fund aims to deliver capital growth and income on a rolling five-year basis, by investing in the shares of UK companies.

The Fund will invest at least 90% directly into UK company shares or indirectly through other investment funds (which may include those that are managed or operated by the ACD or an associate of the ACD) which themselves invest in the shares of UK companies.

The Fund will typically invest at least 80% of the portfolio directly but at times, dependent on market conditions and the Investment Manager's view of the market, the direct exposure may be higher or lower than 80% but is never expected to fall below 60%.

Not more than 20% of the Fund will be in shares of smaller companies.

The Fund may also hold other assets, including cash.

The Fund may only make use of derivatives, which are sophisticated instruments whose value is linked to the rise and fall of other assets, for the purposes of hedging and efficient portfolio management, with the aim of managing risk and cost.

The Fund is actively managed. This means the Investment Manager uses their expertise to pick investments to achieve the Fund's objective.

Any income this share class generates will be paid out to you.

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

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

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

Risk and reward profile

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

Typically lower rewards, lower risk — **Typically higher rewards, higher risk**

1	2	3	4	5	6	7

- This Fund is ranked at 6 because funds of this type have experienced high rises and falls in value in the past. Please note that even the lowest risk class can lose you money and that extreme market circumstances can mean you suffer severe losses in all cases. The indicator does not take into account the following risks of investing in this Fund:
- Investing in other funds may expose investors to increased risk due to less strict regulations and the use of derivatives. These other funds can themselves invest into 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 Fund.
- In difficult market conditions, the value of some investments may be less predictable than normal and the Fund may not be able to buy and sell these investments at the best time or at a fair price. This could affect the Fund's performance, potentially reducing your returns.
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MI Quilter Cheviot UK Equity Fund

Fund Information

Charges

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

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

Charges taken from the Fund over a year	
Ongoing charges	0.12%

Charges taken from the Fund under specific conditions	
Performance fee	NONE

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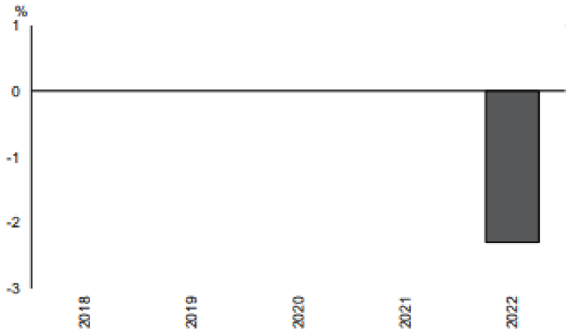
Past performance



	2018	2019	2020	2021	2022
Fund					-2.3

Source: FE fundinfo 2023

- You should be aware that past performance is not a guide to future performance.
- Fund launch date: 30/09/2021.
- Share/unit class launch date: 30/09/2021.
- Performance is calculated in GBP.

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- The Depositary of the Fund is Northern Trust Investor Services Limited.
- Please note that the tax laws of the United Kingdom may impact your own tax position.