MI Quilter Cheviot Investment Funds

Interim Report 31 October 2023

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

Customer Service Centre
Hamilton Centre, Rodney Way, Chelmsford, Essex CM1 3BY
Telephone: 0345 521 1006
Fax: 0845 299 1095
E-mail: QuilterCheviot@maitlandgroup.com

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

Investment Manager
Quilter Cheviot Limited
Senator House, 85 Queen Victoria Street, London EC4V 4AB
(Authorised and regulated by the Financial Conduct Authority)

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

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

Basis of Accounting

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

The interim financial statements have been prepared on the same basis as the audited financial statements for the year ended 30 April 2023.

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

Certification of the Interim Report by the Authorised Corporate Director

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

C O'Keeffe

C. O'Keeffe
P.J. Foley-Brickley

Directors
Apex Fundrock Limited
28 December 2023

Apex Fundrock Limited operates as ACD and AIFM for the purpose of the AIFM directive 22 July 2013.

Investment Objective and Policy

for the period ended 31 October 2023

Investment Objective

The Sub-fund aims to achieve capital growth and income, net of charges, on a rolling five-year basis.

Investment Policy

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

The Sub-fund's exposure to alternative asset classes will typically be 70% but may be lower in times of market volatility (when exposure to mainstream asset classes such as equities, government bonds, investment grade and/or sub-investment grade corporate bonds, cash, near cash, money market instruments and permitted deposits may be increased). However, the Sub-fund's exposure to alternative asset classes will never fall below 50%. Investments may include: property; commodities (such as gold and precious metals); private equity; infrastructure; currency; derivatives; absolute return strategy funds and multi-asset strategy funds. The exposure to property and commodities will vary and may at times be significant. The remainder of the Sub-fund will be composed of mainstream asset classes which may include equities, government bonds, investment grade and/or sub-investment grade corporate bonds, cash, near cash, money market instruments and permitted deposits.

The Sub-fund may invest directly or indirectly in order to gain exposure to a diversified portfolio of asset classes. The Sub-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, but it is not expected to ever fall below 80%.

The Investment Manager will use indirect investment methods which may include collective investment schemes (which may include those that are managed or operated by the ACD or an associate of the ACD), Investment Trusts and Real Estate Investment Trusts to gain exposure to alternative assets classes with the purpose of ensuring that the liquidity profile of the Sub-fund is appropriate for a retail fund that offers daily dealing to investors.

The Sub-fund may use derivative instruments for the purpose of Efficient Portfolio Management or investment purposes. The use of derivatives for this purpose may affect the risk profile of the Sub-fund although this is not the ACD's intention.

Investment Manager's Report

for the period ended 31 October 2023

Market Commentary

A growing feeling that a "higher-for-longer" interest rate environment is taking hold weighed on stocks and bonds into the end of the period. This shift in overall market sentiment gained momentum following September's Federal Reserve ('Fed') policy meeting. US rate setters revised higher projections for future interest rates due to surprising economic strength, and although they have been guiding higher than market expectations for some time, the messaging caused a repricing among investors who had previously been expecting a lower path for rates. As a result, in October we saw the US 10-year Treasury yield move above 5% for the first time since 2007.

Elsewhere, the Bank of England ('BoE') and European Central Bank ('ECB') gave the surest sign yet that they are close to, if not already at, the end of their cycles of increasing rates. Both central banks voted to pause their rates rising cycles for the first time since the hikes began. The UK and Eurozone economies have fared worse than the US of late, and recent messaging suggests rate setters are starting to feel they may have done enough, even though inflation continues to run well above target.

The BoE narrowly voted in favour of a first pause at a policy decision since December 2021, ending a run of 14 consecutive interest rate increases. Although the 5-4 vote split to maintain the base rate at 5.25% was by the smallest margin, notably it was supported by prominent members of the panel: governor Andrew Bailey, deputy governors Ben Broadhurst and Sir Dave Ramsden and chief economist Huw Pill. An unexpected drop in the Consumer Price Index ('CPI') the day before the announcement no doubt played a part, with a print of 6.7% a third consecutive decline in this metric. Furthermore, it was well below the consensus forecast and represents a significant drop from last year's peak of 11.1%.

Economic woes in China continued to progress during the period, with increasing concerns surrounding the ongoing property downturn and geopolitical tensions with the US impacting upon equity markets. However, some signs of stability have emerged following recent policy support. Elsewhere, the oil price rose sharply in the third quarter, with international benchmark Brent crude gaining 26% to $96 a barrel – its highest level since November 2022 – before falling back during October despite renewed conflict in the Middle East. Heading into winter, attention will grow on natural gas prices, and we are closely watching energy markets for signs of another rally which would apply upside pressure to inflation.

Investment Manager's Report

continued

An interesting dynamic has developed in the relative performance of so-called "growth" and "value" stocks, with the former outperforming in the US and the latter doing better in Europe. Although the Artificial Intelligence ('AI') hype has clearly boosted a number of US tech stocks, growth's outperformance can also be attributed, at least in part, to the strength of the economy. Higher rates are typically viewed negatively for growth stocks, due to a higher discount rate being applied to future earnings. However, this dynamic depends upon why rates are rising. If a stronger than expected economy is causing the rise, companies expected to grow more in the future will fare even better, potentially offsetting the negative of a higher discount rate. This has seemingly transpired in the US thus far in 2023. The outperformance of value stocks in Europe also supports this, as more pessimistic forecasts for a weaker economy will hurt growth stocks more than their value counterparts.

Investment Review

During the six-month period to 31 October 2023, the A Income Class returned 0.41%* in GBP terms, outperforming its comparator benchmark, the HFRX Global Hedge Fund GBP Index which returned -0.03%~ in GBP terms.

From an attribution perspective, positive returns were seen from the Sub-fund's fixed interest and money market fund exposures, which continue to provide an attractive return in this higher interest rate environment. This was demonstrated across a combination of holdings such as the iShares UK Gilts 0-5yr UCITS ETF, BlackRock ICS Sterling Liquidity Premier and Royal London Short-Term Money Market funds. Pleasing gains in global equity markets and the Sub-fund's exposure to listed private equity vehicles also impacted positively on returns, as seen via the HSBC MSCI World UCITS ETF, Pantheon International, HgCapital Trust and HarbourVest Global Private Equity.

As can often be the case with a diversified range of alternative investment strategies, divergence in performance was seen across the Sub-fund's absolute return and multi-asset strategy holdings. Pleasing gains were seen from the positions in Trium ESG Emissions Improvers, Ardea Global Alpha and Aspect Diversified Trends. In contrast, the PIMCO GIS Dynamic Multi-Asset endured a difficult period. Elsewhere, one of the key detractors from the Sub-fund's performance over the period came from the exposure to commercial property and infrastructure, with holdings such as abrdn Income UK Real Estate Share, LXI REIT and Assura continuing to face headwinds from rising interest rates and economic uncertainty.

During the period we exited our position in Supermarket REIT, a small holding within the commercial property allocation. Despite this move, we continue to see value in REITs, which we retain exposure to through other investments, and a real recovery opportunity once there is greater clarity on when and where UK rates find their peak.

Outlook

Economic activity continues to hold up relatively well in most places despite the higher level of interest rates. The US remains the shining light, reporting a 4.9% annualised pace of GDP growth in the third quarter. Both the equity and bond markets struggled to find any headway in the month of October, but equity valuations look fairly reasonable on the whole and the latest corporate updates suggest prospects for a sharp contraction have diminished, albeit alongside a drop in the chances of a large improvement in the short-term. In addition, we believe developed government bonds and investment grade credit offer attractive long-term value at these levels, with central banks close to, if not already at, a peak in rates.

*Source: Financial Express, 13 December 2023. All figures to 31 October 2023.

~Source: Data provided by FactSet.

Portfolio Statement

as at 31 October 2023

Holding	Security	Market value £	% of total net assets 2023
	FINANCIALS 93.38% (90.00%)		
	Closed-End Investments 12.62% (16.35%)		
396,921	BH Macro	1,442,808	1.19
1,924,577	Chrysalis Investments	1,068,140	0.88
292,770	HarbourVest Global Private Equity	6,309,194	5.20
1,765,298	HgCapital Trust	6,487,470	5.35
		15,307,612	12.62
	Open-End and Miscellaneous Investment Vehicles 80.76% (73.65%)		
5,712,082	ARC TIME Property Long Income & Growth PAIF - Z Net Income*	4,276,636	3.52
2,936,244	abrdn UK Real Estate Share - I Accumulation*	5,780,583	4.77
25,780	Aspect Diversified Trends - P GBP Institutional*	4,581,104	3.78
68,857	BlackRock ICS Sterling Liquidity Premier - Accumulation*	7,612,633	6.28
890,239	CT Property Growth & Income - Q Income*	7,574,044	6.25
93,378	Fidante Partners Liquid Strategies ICAV - Ardea Global Alpha - X GBP Hedged Income*	9,168,819	7.56
379,972	HSBC MSCI World UCITS ETF - USD Distributing	8,661,462	7.14
12,877	iShares £ Corp Bond 0-5yr UCITS ETF - GBP Distributing	1,247,653	1.03
478,154	iShares MSCI Target UK Real Estate UCITS ETF - GBP Distributing	1,781,124	1.47
51,024	iShares UK Gilts 0-5yr UCITS ETF - GBP Distributing	6,409,125	5.29
5,982,708	Janus Henderson Absolute Return - G Accumulation*	6,868,149	5.66
7,703,759	Legal & General UK Property - I Class Distribution*	4,171,585	3.44
86,000	MontLake UCITS Fund Platform ICAV - Mygale Event Driven UCITS*	9,160,674	7.55
659,801	PIMCO GIS Dynamic Multi-Asset - Institutional GBP (Hedged) Accumulation*	7,739,468	6.38
7,651,311	Royal London Short-Term Money Market - Y Income*	7,621,594	6.29
33,459	Trium ESG Emissions Improvers - F GBP Accumulation*	4,348,666	3.59
9,653	Vanguard Global Short-Term Bond Index - Institutional Plus*	917,594	0.76
		97,920,913	80.76
	REAL ESTATE 3.16% (4.81%)		
	Real Estate Investment Trusts 3.16% (4.81%)		
4,846,946	Assura	1,983,370	1.64
1,034,567	LXI REIT	886,107	0.73
1,330,892	PRS REIT	959,573	0.79
		3,829,050	3.16
	Investment assets	**117,057,575**	**96.54**
	Net other assets	**4,200,293**	**3.46**
	Net assets	**121,257,868**	**100.00**

All investments are ordinary shares or stock units on a regulated securities market unless otherwise stated. The percentages in brackets show the equivalent % holdings as at 30.04.23.

*Collective investment schemes permitted under COLL, not listed on any exchange.

Total purchases for the period: £11,781,937
Total sales for the period: £931,953

At the period end the Sub-fund did not hold shares in any of the other Sub-funds within the MI Quilter Cheviot Investment Funds.

Net Asset Value and Shares in Issue

Class	Net Asset Value	Shares in issue	Net Asset Value per share p	Operating Charges*
A Income	£79,246,896	91,484,902	86.62	0.62%
A Accumulation	£42,010,982	48,721,120	86.23	0.62%

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

From the 31 October 2023, as a result of changes to guidance, closed-ended funds are not included with the synthetic ongoing charges.

Risk and Reward Profile

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

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

1	2	3	**4**	5	6	7

The Sub-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 Sub-fund:

- Investing overseas can bring additional returns and spread risk to different markets. There are risks, however, that changes in currency exchange rates may cause the value of 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 Sub-fund.
- The Sub-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 Sub-fund may not be able to buy and sell these investments at the best time or at a fair price. This could affect the Sub-fund's performance, potentially reducing your returns.
- The Sub-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 Sub-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.

Risk warning

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

Statement of Total Return

for the period ended 31 October 2023

	31.10.23		31.10.22	
	£	£	£	£
Income				
Net capital losses		(739,952)		(12,072,908)
Revenue	1,147,508		633,010	
Expenses	(80,935)		(74,192)	
Interest payable and similar charges	–		–	
Net revenue before taxation	1,066,573		558,818	
Taxation	(166,940)		(72,250)	
Net revenue after taxation		899,633		486,568
Total return before distributions		**159,681**		**(11,586,340)**
Distributions		(899,617)		(486,497)
Change in net assets attributable to Shareholders from investment activities		**(739,936)**		**(12,072,837)**

Statement of Change in Net Assets Attributable to Shareholders

for the period ended 31 October 2023

	31.10.23		31.10.22	
	£	£	£	£
Opening net assets attributable to Shareholders		**118,286,106**		**104,266,767**
Amounts receivable on issue of shares	20,846,416		30,545,381	
Less: Amounts payable on cancellation of shares	(17,437,925)		(16,359,436)	
		3,408,491		14,185,945
Dilution levy		–		28,595
Change in net assets attributable to Shareholders from investment activities (see Statement of Total Return above)		(739,936)		(12,072,837)
Retained distributions on accumulation shares		303,207		73,422
Closing net assets attributable to Shareholders		**121,257,868**		**106,481,892**

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

Balance Sheet

as at 31 October 2023

	31.10.23		30.04.23	
	£	£	£	£
ASSETS				
Fixed assets				
Investments		**117,057,575**		**112,147,046**
Current assets				
Debtors	856,332		3,850,669	
Cash and bank balances	7,862,533		9,028,788	
Total current assets		**8,718,865**		**12,879,457**
Total assets		**125,776,440**		**125,026,503**
LIABILITIES				
Creditors				
Distribution payable	(168,790)		(301,369)	
Other creditors	(4,349,782)		(6,439,028)	
Total creditors		**(4,518,572)**		**(6,740,397)**
Total liabilities		**(4,518,572)**		**(6,740,397)**
Net assets attributable to Shareholders		**121,257,868**		**118,286,106**

Distribution Tables

for the period ended 31 October 2023

Income Share Distributions

Share class	Distribution	Shares	Net revenue p	Equalisation p	Distribution paid/payable 2023 p	Distribution paid 2022 p
A	First interim	Group 1	0.4633	–	0.4633	0.1693
		Group 2	0.2557	0.2076	0.4633	0.1693
	Second interim	Group 1	0.1845	–	0.1845	0.2849
		Group 2	0.0611	0.1234	0.1845	0.2849
B*	First interim	Group 1	0.2604	–	0.2604	n/a
		Group 2	0.2604	–	0.2604	n/a
	Second interim	Group 1	n/a	n/a	n/a	n/a
		Group 2	n/a	n/a	n/a	n/a

Accumulation Share Distributions

Share class	Distribution	Shares	Net revenue p	Equalisation p	Amount reinvested 2023 p	Amount reinvested 2022 p
A	First interim	Group 1	0.4579	–	0.4579	0.1800
		Group 2	0.2627	0.1952	0.4579	0.1800
	Second interim	Group 1	0.1833	–	0.1833	0.2935
		Group 2	0.0669	0.1164	0.1833	0.2935

*Share class launched on 9 May 2023 and was dis-invested on 18 September 2023

First interim period: 01.05.23 - 31.07.23
Second interim period: 01.08.23 - 31.10.23

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

Equalisation

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

Investment Objective and Policy
for the period ended 31 October 2023

Investment Objective
The Sub-fund aims to achieve capital growth and income, net of charges, on a rolling five-year basis.

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

The Sub-fund will invest at least 90% in a diversified portfolio of equities in: developed markets in the Asia-Pacific region; and, global emerging markets. The Sub-fund will invest at least 80% of the portfolio indirectly.

The Investment Manager has the ability to increase or decrease exposure to any of the regions on a tactical basis without limits. This may mean that from time to time, the Sub-fund will focus significantly on particular investment markets or opportunities across the Asia Pacific region or global emerging markets as it expects them to perform well.

The Sub-fund may additionally invest in other equities, cash, near cash, money market instruments and permitted deposits.

The Sub-fund's indirect investments will include collective investment schemes (which may include those that are managed or operated by the ACD or an associate of the ACD).

The Sub-fund may use derivative instruments for the purpose of Efficient Portfolio Management. The use of derivatives for this purpose may affect the risk profile of the Sub-fund although this is not the ACD's intention. The Sub-fund may use derivative instruments for investment purposes on the giving of 60 days' notice to Shareholders.

Investment Manager's Report
for the period ended 31 October 2023

Market Commentary
A growing feeling that a "higher-for-longer" interest rate environment is taking hold weighed on stocks and bonds into the end of the period. This shift in overall market sentiment gained momentum following September's Federal Reserve ('Fed') policy meeting. US rate setters revised higher projections for future interest rates due to surprising economic strength, and although they have been guiding higher than market expectations for some time, the messaging caused a repricing among investors who had previously been expecting a lower path for rates. As a result, in October we saw the US 10-year Treasury yield move above 5% for the first time since 2007.

Elsewhere, the Bank of England ('BoE') and European Central Bank ('ECB') gave the surest sign yet that they are close to, if not already at, the end of their cycles of increasing rates. Both central banks voted to pause their rates rising cycles for the first time since the hikes began. The UK and Eurozone economies have fared worse than the US of late, and recent messaging suggests rate setters are starting to feel they may have done enough, even though inflation continues to run well above target.

The BoE narrowly voted in favour of a first pause at a policy decision since December 2021, ending a run of 14 consecutive interest rate increases. Although the 5-4 vote split to maintain the base rate at 5.25% was by the smallest margin, notably it was supported by prominent members of the panel: governor Andrew Bailey, deputy governors Ben Broadhurst and Sir Dave Ramsden and chief economist Huw Pill. An unexpected drop in the Consumer Price Index ('CPI') the day before the announcement no doubt played a part, with a print of 6.7% a third consecutive decline in this metric. Furthermore, it was well below the consensus forecast and represents a significant drop from last year's peak of 11.1%.

Economic woes in China continued to progress during the period, with increasing concerns surrounding the ongoing property downturn and geopolitical tensions with the US impacting upon equity markets. However, some signs of stability have emerged following recent policy support. Elsewhere, the oil price rose sharply in the third quarter, with international benchmark Brent crude gaining 26% to $96 a barrel – its highest level since November 2022 – before falling back during October despite renewed conflict in the Middle East. Heading into winter, attention will grow on natural gas prices, and we are closely watching energy markets for signs of another rally which would apply upside pressure to inflation.

Investment Manager's Report

continued

An interesting dynamic has developed in the relative performance of so-called "growth" and "value" stocks, with the former outperforming in the US and the latter doing better in Europe. Although the Artificial Intelligence ('AI') hype has clearly boosted a number of US tech stocks, growth's outperformance can also be attributed, at least in part, to the strength of the economy. Higher rates are typically viewed negatively for growth stocks, due to a higher discount rate being applied to future earnings. However, this dynamic depends upon why rates are rising. If a stronger than expected economy is causing the rise, companies expected to grow more in the future will fare even better, potentially offsetting the negative of a higher discount rate. This has seemingly transpired in the US thus far in 2023. The outperformance of value stocks in Europe also supports this, as more pessimistic forecasts for a weaker economy will hurt growth stocks more than their value counterparts.

Investment Review

During the six-month period to 31 October 2023, the A Income Class returned -0.74%* in GBP terms, outperforming its comparator benchmark, the MSCI AC Asia Pacific Index (net) which returned -1.22%~ in GBP terms.

The outstanding performer across the core regional allocations in 2023 has been Japan, which has outpaced most major developed markets despite downward revisions to economic growth figures. In contrast, while many investors began 2023 believing that China had reached an economic inflection point following the change in its Covid-related policies, the country has since been impacted by weak consumer demand and a struggling property sector.

Amid this backdrop, pleasing gains were seen from Pacific North of South Emerging Markets All Cap Equity, which has continued its excellent recent performance. Elsewhere, our Japanese equity holdings in the iShares Core MSCI Japan IMI UCITS ETF and M&G Japan positively contributed to performance, with the latter team benefiting from adding to growth names at attractive valuations. Detractors to performance within the Sub-fund included Matthews Asia ex-Japan Total Return Equity, Veritas Asian and Baillie Gifford Japanese Income Growth. While the style of management in the latter has not been a beneficiary of the recent growth in Japan, we continue to maintain conviction in the manager's disciplined process, and believe they own a portfolio of higher quality stocks, with significant potential upside, that would benefit from a strengthening yen.

We made a number of adjustments to our Japanese equity exposure over the period, adding to Baillie Gifford Japanese Income Growth to leave this holding and the existing position in M&G Japan as the two core active allocations to the Japanese market. This move followed the sale of the remaining holding in Sparx Japan Sustainable Equity at the end of the preceding reporting period. We also adjusted our Asia Pacific ex-Japan equity exposure to spread the weightings distribution across the funds, trimming Fidelity Asia Pacific Opportunities on strength and rotating the proceeds into Veritas Asian following recent weakness.

Lastly, we took some profits from one of the Sub-fund's best performing holdings – Pacific North of South Emerging Markets All Cap Equity. Recent outperformance has been driven by a combination of strong stock selection decisions and beneficial market and sector allocations. We took the opportunity to broaden out the exposure by reintroducing Vontobel mtx Sustainable Emerging Markets Leaders, which offers exposure to some compelling valuation opportunities not previously represented within the allocation.

Outlook

Economic activity continues to hold up relatively well in most places despite the higher level of interest rates. The US remains the shining light, reporting a 4.9% annualised pace of GDP growth in the third quarter. Both the equity and bond markets struggled to find any headway in the month of October, but equity valuations look fairly reasonable on the whole and the latest corporate updates suggest prospects for a sharp contraction have diminished, albeit alongside a drop in the chances of a large improvement in the short-term.

*Source: Financial Express, 13 December 2023. All figures to 31 October 2023.

~Source: Data provided by FactSet.

MI Quilter Cheviot Asian and Emerging Markets Equity Fund

Portfolio Statement

as at 31 October 2023

Holding	Security	Market value £	% of total net assets 2023
	Open-End and Miscellaneous Investment Vehicles 96.89% (94.06%)		
12,365,097	Baillie Gifford Japanese Income Growth - W4 GBP Inc*	15,468,737	12.25
7,181,494	Fidelity Asia Pacific Opportunities - R GBP Accumulation*	9,106,134	7.21
83,371	iShares Core MSCI EM IMI UCITS ETF - USD Accumulation	1,932,540	1.53
27,189	iShares Core MSCI Japan IMI UCITS ETF - USD Accumulation	1,034,541	0.82
8,092	iShares Core MSCI Pacific ex-Japan ETF - USD Accumulation GBP	994,992	0.79
15,096,205	JPMorgan Emerging Markets C - Net Income*	23,006,616	18.22
12,178,914	M&G Japan - Sterling PP Income*	15,189,541	12.03
448,646	Matthews Asia ex-Japan Total Return Equity - S Income GBP*	4,540,298	3.59
1,951,061	Pacific North of South Emerging Markets All Cap Equity - R2 GBP Distributing*	22,963,988	18.18
544,862	Sands Capital Emerging Markets Growth - A Accumulation GBP*	9,513,294	7.53
11,972	Veritas Asian - D GBP*	8,838,550	7.00
113,714	Vontobel - mtx Sustainable Emerging Markets Leaders - AQG GBP*	9,772,581	7.74
		122,361,812	96.89
	Investment assets	**122,361,812**	**96.89**
	Net other assets	**3,931,637**	**3.11**
	Net assets	**126,293,449**	**100.00**

All investments are ordinary shares or stock units on a regulated securities market unless otherwise stated. The percentages in brackets show the equivalent % holdings as at 30.04.23.

*Collective investment schemes permitted under COLL, not listed on any exchange.

Total purchases for the period: £32,015,799
Total sales for the period: £8,126,966

At the period end the Sub-fund did not hold shares in any of the other Sub-funds within the MI Quilter Cheviot Investment Funds.

Net Asset Value and Shares in Issue

Class	Net Asset Value	Shares in issue	Net Asset Value per share p	Operating Charges*
A Income	£99,738,181	120,203,056	82.97	0.82%
A Accumulation	£26,555,268	31,557,925	84.15	0.82%

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

From the 31 October 2023, as a result of changes to guidance, closed-ended funds are not included with the synthetic ongoing charges.

Risk and Reward Profile

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

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

1	2	3	4	**5**	6	7

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

- 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 Sub-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 Sub-fund may not be able to buy and sell these investments at the best time or at a fair price. This could affect the Sub-fund's performance, potentially reducing your returns.
- For further risk information please see the Prospectus.

Risk warning

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

Statement of Total Return

for the period ended 31 October 2023

	31.10.23		31.10.22	
	£	£	£	£
Income				
Net capital losses		(3,538,610)		(8,921,689)
Revenue	1,320,791		1,388,023	
Expenses	(60,637)		(70,363)	
Interest payable and similar charges	–		–	
Net revenue before taxation	1,260,154		1,317,660	
Taxation	–		–	
Net revenue after taxation		1,260,154		1,317,660
Total return before distributions		**(2,278,456)**		**(7,604,029)**
Distributions		(1,260,129)		(1,317,666)
Change in net assets attributable to Shareholders from investment activities		**(3,538,585)**		**(8,921,695)**

Statement of Change in Net Assets Attributable to Shareholders

for the period ended 31 October 2023

	31.10.23		31.10.22	
	£	£	£	£
Opening net assets attributable to Shareholders		**108,435,658**		**100,089,351**
Amounts receivable on issue of shares	33,455,356		15,883,841	
Less: Amounts payable on cancellation of shares	(12,314,405)		(19,334,226)	
		21,140,951		(3,450,385)
Change in net assets attributable to Shareholders from investment activities (see Statement of Total Return above)		(3,538,585)		(8,921,695)
Retained distributions on accumulation shares		255,425		60,562
Closing net assets attributable to Shareholders		**126,293,449**		**87,777,833**

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

Balance Sheet

as at 31 October 2023

	31.10.23		30.04.23	
	£	£	£	£
ASSETS				
Fixed assets				
Investments		**122,361,812**		**101,991,970**
Current assets				
Debtors	2,547,633		5,226,419	
Cash and bank balances	3,737,789		3,042,221	
Total current assets		**6,285,422**		**8,268,640**
Total assets		**128,647,234**		**110,260,610**
LIABILITIES				
Creditors				
Distribution payable	(500,886)		(291,469)	
Other creditors	(1,852,899)		(1,533,483)	
Total creditors		**(2,353,785)**		**(1,824,952)**
Total liabilities		**(2,353,785)**		**(1,824,952)**
Net assets attributable to Shareholders		**126,293,449**		**108,435,658**

Distribution Tables

for the period ended 31 October 2023

Income Share Distributions

Share class	Distribution	Shares	Net revenue p	Equalisation p	Distribution paid/payable 2023 p	Distribution paid 2022 p
A	First interim	Group 1	0.5035	–	0.5035	0.7370
		Group 2	0.3909	0.1126	0.5035	0.7370
	Second interim	Group 1	0.4167	–	0.4167	0.5050
		Group 2	0.1540	0.2627	0.4167	0.5050
B*	First interim	Group 1	0.3538	–	0.3538	n/a
		Group 2	0.3538	–	0.3538	n/a
	Second interim	Group 1	n/a	n/a	n/a	n/a
		Group 2	n/a	n/a	n/a	n/a

Accumulation Share Distributions

Share class	Distribution	Shares	Net revenue p	Equalisation p	Amount reinvested 2023 p	Amount reinvested 2022 p
A	First interim	Group 1	0.5175	–	0.5175	0.7223
		Group 2	0.4021	0.1154	0.5175	0.7223
	Second interim	Group 1	0.4168	–	0.4168	0.5009
		Group 2	0.1504	0.2664	0.4168	0.5009

*Share class launched on 9 May 2023 and was dis-invested on 18 September 2023

First interim period: 01.05.23 - 31.07.23
Second interim period: 01.08.23 - 31.10.23

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

Equalisation

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

Investment Objective and Policy

for the period ended 31 October 2023

Investment Objective

The Sub-fund aims to achieve income and the potential for capital growth, net of charges, on a rolling five-year basis.

Investment Policy

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

The Sub-fund may invest directly or indirectly in UK and global fixed income securities, cash, near cash, money market instruments and permitted deposits in order to give exposure to a diversified portfolio of fixed interest holdings.

The Sub-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 this but it is not expected to ever fall below 50%.

The Sub-fund's intention is to invest conservatively and the Sub-fund's exposure will be 70% or greater in UK conventional gilts and index-linked gilts. The Sub-fund may additionally invest in investment grade and/or sub-investment grade corporate bonds.

The Sub-fund's indirect investments will include collective investment schemes (which may include those that are managed or operated by the ACD or an associate of the ACD).

The Sub-fund may use derivative instruments for the purpose of Efficient Portfolio Management. The use of derivatives for this purpose may affect the risk profile of the Sub-fund although this is not the ACD's intention. The Sub-fund may use derivative instruments for investment purposes on the giving of 60 days' notice to Shareholders.

Investment Manager's Report

for the period ended 31 October 2023

Market Commentary

A growing feeling that a "higher-for-longer" interest rate environment is taking hold weighed on stocks and bonds into the end of the period. This shift in overall market sentiment gained momentum following September's Federal Reserve ('Fed') policy meeting. US rate setters revised higher projections for future interest rates due to surprising economic strength, and although they have been guiding higher than market expectations for some time, the messaging caused a repricing among investors who had previously been expecting a lower path for rates. As a result, in October we saw the US 10-year Treasury yield move above 5% for the first time since 2007.

Elsewhere, the Bank of England ('BoE') and European Central Bank ('ECB') gave the surest sign yet that they are close to, if not already at, the end of their cycles of increasing rates. Both central banks voted to pause their rates rising cycles for the first time since the hikes began. The UK and Eurozone economies have fared worse than the US of late, and recent messaging suggests rate setters are starting to feel they may have done enough, even though inflation continues to run well above target.

The BoE narrowly voted in favour of a first pause at a policy decision since December 2021, ending a run of 14 consecutive interest rate increases. Although the 5-4 vote split to maintain the base rate at 5.25% was by the smallest margin, notably it was supported by prominent members of the panel: governor Andrew Bailey, deputy governors Ben Broadhurst and Sir Dave Ramsden and chief economist Huw Pill. An unexpected drop in the Consumer Price Index ('CPI') the day before the announcement no doubt played a part, with a print of 6.7% a third consecutive decline in this metric. Furthermore, it was well below the consensus forecast and represents a significant drop from last year's peak of 11.1%.

Economic woes in China continued to progress during the period, with increasing concerns surrounding the ongoing property downturn and geopolitical tensions with the US impacting upon equity markets. However, some signs of stability have emerged following recent policy support. Elsewhere, the oil price rose sharply in the third quarter, with international benchmark Brent crude gaining 26% to $96 a barrel – its highest level since November 2022 – before falling back during October despite renewed conflict in the Middle East. Heading into winter, attention will grow on natural gas prices, and we are closely watching energy markets for signs of another rally which would apply upside pressure to inflation.

Investment Manager's Report

continued

Investment Review

During the six-month period to 31 October 2023, the A Income Class returned -0.90%* in GBP terms, outperforming its comparator benchmark, the iBoxx Sterling Overall Index which returned -4.21%~ in GBP terms.

The aggressive rate rise cycle that commenced in December 2021 continued to cause waves across bond markets during the period. Over the second quarter of 2023, central banks' determination to raise interest rates – given stickier than hoped for inflation – caused notable moves across the gilt market, with the two-year yield rising to 5.28% from 3.47%. In doing so, the yield surpassed the highs from last Autumn caused by ex-chancellor Kwasi Kwarteng's "mini-budget," reaching a new 15-year high.

During the third quarter, UK government bonds fared better than their global counterparts, albeit still delivered a modest headline negative return. Expectations of a potentially lower "terminal rate" in the UK led to a rally in shorter-dated gilts. Moving into October, headline UK government bond yields rose, albeit outperformed their US counterparts 12 months on from the country dealing with its own, more dramatic, fiscal concerns. The short-end of the gilt curve outperformed the long end as well as index-linked bonds, reflecting the growing consensus view that the BoE won't increase rates any further.

Against this backdrop, the Sub-fund's longer-dated conventional gilt holdings were impacted most by the challenging market backdrop. In contrast, modest positive returns were seen from the shorter-dated holdings.

In light of the worries regarding widespread contagion in the US regional banking sector, the Fed's ongoing tightening activities as well as the risk of recession, in the first half of the period we decided to increase the defensiveness of the Sub-fund's corporate bond exposure. This was done by exiting the holding in the Federated Hermes Unconstrained Credit and incorporating Wellington Global Credit ESG. The 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 market debt. The duration of the Sub-fund's gilt exposure was also increased during May and September.

Outlook

Economic activity continues to hold up relatively well in most places despite the higher level of interest rates. The US remains the shining light, reporting a 4.9% annualised pace of GDP growth in the third quarter. Both the equity and bond markets struggled to find any headway in the month of October, but equity valuations look fairly reasonable on the whole and the latest corporate updates suggest prospects for a sharp contraction have diminished, albeit alongside a drop in the chances of a large improvement in the short-term.

We believe developed government bonds and investment grade credit offer attractive long-term value at these levels, with central banks close to, if not already at, a peak in rates. This has been reflected by incrementally adding to duration, given our view on where we are in the monetary policy cycle, with developed sovereign bonds once again offering the potential to provide downside protection within portfolios should we see a weakening of the global economic outlook.

*Source: Financial Express, 22 December 2023. All figures to 31 October 2023.

~Source: Data provided by FactSet.

Portfolio Statement

as at 31 October 2023

Holding	Security	Market value £	% of total net assets 2023
	FINANCIALS 22.47% (21.79%)		
	Open-End and Miscellaneous Investment Vehicles 22.47% (21.79%)		
9,761,165	Royal London Sterling Credit - Z Income*	11,088,683	10.02
62,602	Vanguard UK Investment Grade Bond - Institutional Plus GBP Distribution*	5,544,177	5.01
901,395	Wellington Global Credit ESG - G Q1 DisH GBP*	8,241,545	7.44
		24,874,405	22.47
	DEBT INSTRUMENTS 74.44% (75.00%)		
	Pound Sterling denominated government debt securities 74.44% (75.00%)		
£10,541,570	UK Treasury 0.375% 22.10.30	8,042,374	7.27
£5,785,566	UK Treasury 0.625% 07.06.25	5,431,547	4.91
£13,854,502	UK Treasury 0.875% 22.10.29	11,377,317	10.28
£4,380,135	UK Treasury 1% 22.04.24	4,298,358	3.88
£20,710,593	UK Treasury 1% 31.01.32	15,824,343	14.29
£11,947,274	UK Treasury 1.25% 22.07.27	10,690,182	9.66
£11,568,736	UK Treasury 1.5% 22.07.26	10,708,832	9.67
£18,184,551	UK Treasury 1.625% 22.10.28	16,032,409	14.48
		82,405,362	74.44
	Investment assets	**107,279,767**	**96.91**
	Net other assets	**3,420,881**	**3.09**
	Net assets	**110,700,648**	**100.00**

All investments are ordinary shares or stock units on a regulated securities market unless otherwise stated. The percentages in brackets show the equivalent % holdings as at 30.04.23.

*Collective investment schemes permitted under COLL, not listed on any exchange.

Total purchases for the period: £31,471,750
Total sales for the period: £16,280,899

At the period end the Sub-fund did not hold shares in any of the other Sub-funds within the MI Quilter Cheviot Investment Funds.

Analysis of bonds by credit rating^	Market value £	% of total net assets 31.10.23	% of total net assets 30.04.23
Investment grade (BBB & above)	82,405,362	74.44	75.00

^Source: Northern Trust Investor Services Limited

Net Asset Value and Shares in Issue

Class	Net Asset Value	Shares in issue	Net Asset Value per share p	Operating Charges*
A Income	£59,769,320	78,224,362	76.41	0.19%
A Accumulation	£50,931,328	67,334,931	75.64	0.19%

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

From the 31 October 2023, as a result of changes to guidance, closed-ended funds are not included with the synthetic ongoing charges.

Risk and Reward Profile

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

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

1	2	3	**4**	5	6	7

The Sub-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 Sub-fund:

- Bond values are affected by changes in interest rates, inflation and any decline in creditworthiness of the bond issuer. Bonds that produce a higher level of income usually also carry greater risk as such bond issuers may not be able to pay the bond income as promised or could fail to repay the capital amount used to purchase the bond. 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 Sub-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 Sub-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.

Risk warning

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

Statement of Total Return

for the period ended 31 October 2023

	31.10.23		31.10.22	
	£	£	£	£
Income				
Net capital losses		(2,805,243)		(8,314,707)
Revenue	1,882,653		443,855	
Expenses	(64,249)		(46,547)	
Interest payable and similar charges	–		–	
Net revenue before taxation	1,818,404		397,308	
Taxation	–		–	
Net revenue after taxation		1,818,404		397,308
Total return before distributions		**(986,839)**		**(7,917,399)**
Distributions		(1,818,433)		(397,303)
Change in net assets attributable to Shareholders from investment activities		**(2,805,272)**		**(8,314,702)**

Statement of Change in Net Assets Attributable to Shareholders

for the period ended 31 October 2023

	31.10.23		31.10.22	
	£	£	£	£
Opening net assets attributable to Shareholders		**97,174,315**		**49,588,659**
Amounts receivable on issue of shares	27,465,247		17,221,008	
Less: Amounts payable on cancellation of shares	(11,981,028)		(5,712,447)	
		15,484,219		11,508,561
Dilution levy		–		1,506
Change in net assets attributable to Shareholders from investment activities (see Statement of Total Return above)		(2,805,272)		(8,314,702)
Retained distributions on accumulation shares		847,386		34,968
Closing net assets attributable to Shareholders		**110,700,648**		**52,818,992**

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

Balance Sheet
as at 31 October 2023

	31.10.23		30.04.23	
	£	£	£	£
ASSETS				
Fixed assets				
Investments		**107,279,767**		**94,058,494**
Current assets				
Debtors	689,068		9,569,947	
Cash and bank balances	4,356,773		1,525,684	
Total current assets		**5,045,841**		**11,095,631**
Total assets		**112,325,608**		**105,154,125**
LIABILITIES				
Creditors				
Distribution payable	(551,482)		(363,066)	
Other creditors	(1,073,478)		(7,616,744)	
Total creditors		**(1,624,960)**		**(7,979,810)**
Total liabilities		**(1,624,960)**		**(7,979,810)**
Net assets attributable to Shareholders		**110,700,648**		**97,174,315**

Distribution Tables

for the period ended 31 October 2023

Income Share Distributions

Share class	Distribution	Shares	Net revenue p	Equalisation p	Distribution paid/payable 2023 p	Distribution paid 2022 p
A	First interim	Group 1	0.6294	–	0.6294	0.2507
		Group 2	0.3140	0.3154	0.6294	0.2507
	Second interim	Group 1	0.7050	–	0.7050	0.3889
		Group 2	0.1384	0.5666	0.7050	0.3889

Accumulation Share Distributions

Share class	Distribution	Shares	Net revenue p	Equalisation p	Amount reinvested 2023 p	Amount reinvested 2022 p
A	First interim	Group 1	0.6114	–	0.6114	0.2374
		Group 2	0.3243	0.2871	0.6114	0.2374
	Second interim	Group 1	0.6915	–	0.6915	0.3709
		Group 2	0.3657	0.3258	0.6915	0.3709

First interim period: 01.05.23 - 31.07.23
Second interim period: 01.08.23 - 31.10.23

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

Equalisation

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

Investment Objective and Policy

for the period ended 31 October 2023

Investment Objective

The Sub-fund aims to achieve capital growth and income, net of charges, on a rolling five-year basis.

Investment Policy

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

The Sub-fund's exposure to alternative asset classes will typically be 60% (with a minimum of 50%) which may include: private equity; infrastructure; currency; derivatives; absolute return strategy funds and multi-asset strategy funds. The Sub-fund will have no direct exposure to property or commodities funds. The majority of the alternative asset class exposure will be composed of absolute return strategy funds and multi-asset strategy funds which may include event-driven strategies; equity long/short strategies; and trend-following funds. The remainder of the Sub-fund will be composed of mainstream asset classes which may include equities, government bonds, investment grade and/or sub-investment grade corporate bonds, cash, near cash, money market instruments and permitted deposits.

The Sub-fund may invest directly or indirectly in order to gain exposure to a diversified portfolio of asset classes. The Sub-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, but it is not expected to ever fall below 80%.

The Investment Manager will use indirect investment methods which may include collective investment schemes (which may include those that are managed or operated by the ACD or an associate of the ACD) and Investment Trusts, to gain exposure to alternative assets classes with the purpose of ensuring that the liquidity profile of the Sub-fund is appropriate for a retail fund that offers daily dealing to investors.

The Sub-fund may use derivative instruments for the purpose of Efficient Portfolio Management or investment purposes. The use of derivatives for this purpose may affect the risk profile of the Sub-fund although this is not the ACD's intention.

The Sub-fund's asset allocation will provide an efficient, cost-effective exposure to mainstream asset classes such as global equities through the use of predominately low-cost passive funds, with a contrasting exposure to alternative asset classes with the objective of diversifying both risk and return within the fund itself, or as part of a wider model portfolio. The Sub-fund will therefore obtain some of its exposure through low-cost investments that track the performance of mainstream asset classes (but the Sub-fund itself does not seek to track any index). No more than 50% of the Sub-fund will be invested in index-tracking investments.

Investment Manager's Report

for the period ended 31 October 2023

Market Commentary

A growing feeling that a "higher-for-longer" interest rate environment is taking hold weighed on stocks and bonds into the end of the period. This shift in overall market sentiment gained momentum following September's Federal Reserve ('Fed') policy meeting. US rate setters revised higher projections for future interest rates due to surprising economic strength, and although they have been guiding higher than market expectations for some time, the messaging caused a repricing among investors who had previously been expecting a lower path for rates. As a result, in October we saw the US 10-year Treasury yield move above 5% for the first time since 2007.

Elsewhere, the Bank of England ('BoE') and European Central Bank ('ECB') gave the surest sign yet that they are close to, if not already at, the end of their cycles of increasing rates. Both central banks voted to pause their rates rising cycles for the first time since the hikes began. The UK and Eurozone economies have fared worse than the US of late, and recent messaging suggests rate setters are starting to feel they may have done enough, even though inflation continues to run well above target.

The BoE narrowly voted in favour of a first pause at a policy decision since December 2021, ending a run of 14 consecutive interest rate increases. Although the 5-4 vote split to maintain the base rate at 5.25% was by the smallest margin, notably it was supported by prominent members of the panel: governor Andrew Bailey, deputy governors Ben Broadhurst and Sir Dave Ramsden and chief economist Huw Pill. An unexpected drop in the Consumer Price Index ('CPI') the day before the announcement no doubt played a part, with a print of 6.7% a third consecutive decline in this metric. Furthermore, it was well below the consensus forecast and represents a significant drop from last year's peak of 11.1%.

Investment Manager's Report

continued

Economic woes in China continued to progress during the period, with increasing concerns surrounding the ongoing property downturn and geopolitical tensions with the US impacting upon equity markets. However, some signs of stability have emerged following recent policy support. Elsewhere, the oil price rose sharply in the third quarter, with international benchmark Brent crude gaining 26% to $96 a barrel – its highest level since November 2022 – before falling back during October despite renewed conflict in the Middle East. Heading into winter, attention will grow on natural gas prices, and we are closely watching energy markets for signs of another rally which would apply upside pressure to inflation.

An interesting dynamic has developed in the relative performance of so-called "growth" and "value" stocks, with the former outperforming in the US and the latter doing better in Europe. Although the Artificial Intelligence ('AI') hype has clearly boosted a number of US tech stocks, growth's outperformance can also be attributed, at least in part, to the strength of the economy. Higher rates are typically viewed negatively for growth stocks, due to a higher discount rate being applied to future earnings. However, this dynamic depends upon why rates are rising. If a stronger than expected economy is causing the rise, companies expected to grow more in the future will fare even better, potentially offsetting the negative of a higher discount rate. This has seemingly transpired in the US thus far in 2023. The outperformance of value stocks in Europe also supports this, as more pessimistic forecasts for a weaker economy will hurt growth stocks more than their value counterparts.

Investment Review

During the six-month period to 31 October 2023, the A Income Class returned -0.60%* 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 1.04%~ in GBP terms.

From an attribution perspective, positive returns were seen from the Sub-fund's fixed interest and money market fund exposures, which continue to provide an attractive return in this higher interest rate environment. This was demonstrated across a combination of holdings such as the iShares UK Gilts 0-5yr UCITS ETF and BlackRock ICS Sterling Liquidity Premier. Pleasing gains in global equity markets also impacted positively on returns, as seen via the HSBC MSCI World UCITS ETF.

As can often be the case with a diversified range of alternative investment strategies, divergence in performance was seen across the Sub-fund's absolute return and multi-asset strategy holdings. Pleasing gains were seen from the positions in Trium ESG Emissions Improvers, Fidante Partners Liquid Strategies ICAV - Ardea Global Alpha and Aspect Diversified Trends. In contrast, the PIMCO GIS Dynamic Multi-Asset endured a difficult period. The allocation to Hipgnosis Songs was also a negative contributor to performance, as the fund experienced a restructuring of management following a majority shareholder vote against the continuation of the company.

Another key detractor to the Sub-fund's performance over the period came from the allocation to infrastructure via The Renewables Infrastructure Group (TRIG) and International Public Partnerships (INPP), with both continuing to face headwinds from rising discount rates. We continue to believe the sector offers access to good quality assets with predictable, contracted, often inflation-linked cashflows that are exposed to several structural trends.

Over the period we trimmed our allocation to absolute return and multi-asset strategy holdings such as PIMCO GIS Dynamic Multi-Asset and Fidante Partners Liquid Strategies ICAV - Ardea Global Alpha and Aspect Diversified Trends, as well as reducing our weighting to the iShares UK Gilts 0-5yr UCITS ETF and the HSBC MSCI World UCITS ETF.

Outlook

Economic activity continues to hold up relatively well in most places despite the higher level of interest rates. The US remains the shining light, reporting a 4.9% annualised pace of GDP growth in the third quarter. Both the equity and bond markets struggled to find any headway in the month of October, but equity valuations look fairly reasonable on the whole and the latest corporate updates suggest prospects for a sharp contraction have diminished, albeit alongside a drop in the chances of a large improvement in the short-term. In addition, we believe developed government bonds and investment grade credit offer attractive long-term value at these levels, with central banks close to, if not already at, a peak in rates.

*Source: Financial Express, 13 December 2023. All figures to 31 October 2023.

~Source: Data provided by FactSet.

Portfolio Statement

as at 31 October 2023

Holding	Security	Market value £	% of total net assets 2023
	FINANCIALS 98.92% (94.23%)		
	Closed-End Investments 13.07% (10.38%)		
468,079	BH Macro	1,701,467	2.90
1,017,652	Hipgnosis Songs	716,427	1.22
1,465,556	International Public Partnership	1,702,976	2.91
1,696,282	Renewables Infrastructure	1,706,460	2.91
2,352,586	Sequoia Economic Infrastructure Income	1,830,312	3.13
		7,657,642	13.07
	Open-End and Miscellaneous Investment Vehicles 85.85% (83.85%)		
25,988	Aspect Diversified Trends - P GBP Institutional*	4,618,102	7.88
38,284	BlackRock ICS Sterling Liquidity Premier - Accumulation*	4,232,535	7.22
71,204	Fidante Partners Liquid Strategies ICAV - Ardea Global Alpha - X GBP Hedged Income*	6,991,518	11.93
363,653	HSBC MSCI World UCITS ETF - USD Distributing	8,289,470	14.16
43,456	iShares UK Gilts 0-5yr UCITS ETF - GBP Distributing	5,458,508	9.32
5,762,463	Janus Henderson Absolute Return - G Accumulation*	6,615,308	11.29
65,457	MontLake UCITS Fund Platform ICAV - Mygale Event Driven UCITS*	6,972,446	11.90
206,723	PIMCO GIS Dynamic Multi-Asset - Institutional GBP (Hedged) Accumulation*	2,424,864	4.14
36,087	Trium ESG Emissions Improvers - F GBP Accumulation*	4,690,227	8.01
		50,292,978	85.85
	Investment assets	**57,950,620**	**98.92**
	Net other assets	**634,784**	**1.08**
	Net assets	**58,585,404**	**100.00**

All investments are ordinary shares or stock units on a regulated securities market unless otherwise stated. The percentages in brackets show the equivalent % holdings as at 30.04.23.

*Collective investment schemes permitted under COLL, not listed on any exchange.

Total purchases for the period: £3,088,015
Total sales for the period: £14,306,746

At the period end the Sub-fund did not hold shares in any of the other Sub-funds within the MI Quilter Cheviot Investment Funds.

Net Asset Value and Shares in Issue

Class	Net Asset Value	Shares in issue	Net Asset Value per share p	Operating Charges*
A Income	£43,675,025	45,711,502	95.54	0.67%
A Accumulation	£14,910,379	15,613,903	95.49	0.67%

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

From the 31 October 2023, as a result of changes to guidance, closed-ended funds are not included with the synthetic ongoing charges.

Risk and Reward Profile

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

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

1	2	**3**	4	5	6	7

The Sub-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 Sub-fund:

- Investing overseas can bring additional returns and spread risk to different markets. There are risks, however, that changes in currency exchange rates may cause the value of 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 Sub-fund.
- In difficult market conditions, the value of some investments may be less predictable than normal and the Sub-fund may not be able to buy and sell these investments at the best time or at a fair price. This could affect the Sub-fund's performance, potentially reducing your returns.
- The Sub-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 Sub-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.

Risk warning

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

Statement of Total Return

for the period ended 31 October 2023

	31.10.23		31.10.22	
	£	£	£	£
Income				
Net capital losses		(928,857)		(1,509,170)
Revenue	630,668		303,281	
Expenses	(50,248)		(55,328)	
Interest payable and similar charges	–		(616)	
Net revenue before taxation	580,420		247,337	
Taxation	(3,095)		–	
Net revenue after taxation		577,325		247,337
Total return before distributions		**(351,532)**		**(1,261,833)**
Distributions		(577,292)		(247,297)
Change in net assets attributable to Shareholders from investment activities		**(928,824)**		**(1,509,130)**

Statement of Change in Net Assets Attributable to Shareholders

for the period ended 31 October 2023

	31.10.23		31.10.22	
	£	£	£	£
Opening net assets attributable to Shareholders		**74,324,367**		**51,291,668**
Amounts receivable on issue of shares	11,521,069		24,098,684	
Less: Amounts payable on cancellation of shares	(26,468,325)		(6,629,014)	
		(14,947,256)		17,469,670
Dilution levy		–		3,440
Change in net assets attributable to Shareholders from investment activities (see Statement of Total Return above)		(928,824)		(1,509,130)
Retained distributions on accumulation shares		137,117		19,133
Closing net assets attributable to Shareholders		**58,585,404**		**67,274,781**

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

Balance Sheet

as at 31 October 2023

		31.10.23		30.04.23
	£	£	£	£
ASSETS				
Fixed assets				
Investments		**57,950,620**		**70,033,269**
Current assets				
Debtors	403,583		4,101,633	
Cash and bank balances	1,403,490		4,058,596	
Total current assets		**1,807,073**		**8,160,229**
Total assets		**59,757,693**		**78,193,498**
LIABILITIES				
Creditors				
Bank overdrafts	(50,155)		–	
Distribution payable	(98,417)		(129,787)	
Other creditors	(1,023,717)		(3,739,344)	
Total creditors		**(1,172,289)**		**(3,869,131)**
Total liabilities		**(1,172,289)**		**(3,869,131)**
Net assets attributable to Shareholders		**58,585,404**		**74,324,367**

Distribution Tables
for the period ended 31 October 2023

Income Share Distributions

Share class	Distribution	Shares	Net revenue p	Equalisation p	Distribution paid/payable 2023 p	Distribution paid 2022 p
A	First interim	Group 1	0.5610	–	0.5610	0.2617
		Group 2	0.4042	0.1568	0.5610	0.2617
	Second interim	Group 1	0.2153	–	0.2153	0.1442
		Group 2	0.1517	0.0636	0.2153	0.1442
B*	First interim	Group 1	0.4354	–	0.4354	n/a
		Group 2	0.4354	–	0.4354	n/a
	Second interim	Group 1	n/a	n/a	n/a	n/a
		Group 2	n/a	n/a	n/a	n/a

Accumulation Share Distributions

Share class	Distribution	Shares	Net revenue p	Equalisation p	Amount reinvested 2023 p	Amount reinvested 2022 p
A	First interim	Group 1	0.5561	–	0.5561	0.2587
		Group 2	0.4154	0.1407	0.5561	0.2587
	Second interim	Group 1	0.2146	–	0.2146	0.1390
		Group 2	0.1551	0.0595	0.2146	0.1390

*Share class launched on 9 May 2023 and was dis-invested on 8 August 2023

First interim period: 01.05.23 - 31.07.23
Second interim period: 01.08.23 - 31.10.23

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

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

Investment Objective and Policy

for the period ended 31 October 2023

Investment Objective

The Sub-fund aims to achieve capital growth and income, net of charges, on a rolling five-year basis.

Investment Policy

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

The Sub-fund will invest at least 90% directly or indirectly, in shares of companies in developed markets in Europe excluding the UK. The Sub-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 this but it is not expected to ever fall below 60%. These are companies that are domiciled, incorporated or have a significant portion of their business in developed markets in Europe excluding the UK, even if listed elsewhere.

The Sub-fund may also invest in other transferable securities, warrants, money market instruments, deposits and cash.

The Sub-fund's indirect investments will include collective investment schemes (which may include those that are managed or operated by the ACD or an associate of the ACD).

The Sub-fund may use derivative instruments for the purpose of Efficient Portfolio Management. The use of derivatives for this purpose may affect the risk profile of the Sub-fund although this is not the ACD's intention. The Sub-fund may use derivative instruments for investment purposes on the giving of 60 days' notice to Shareholders.

The Investment Manager's strategy for selecting investments and allocating to sectors is dynamic and will reflect its assessment of the market cycle.

Investment Manager's Report

for the period ended 31 October 2023

Market Commentary

A growing feeling that a "higher-for-longer" interest rate environment is taking hold weighed on stocks and bonds into the end of the period. This shift in overall market sentiment gained momentum following September's Federal Reserve ('Fed') policy meeting. US rate setters revised higher projections for future interest rates due to surprising economic strength, and although they have been guiding higher than market expectations for some time, the messaging caused a repricing among investors who had previously been expecting a lower path for rates. As a result, in October we saw the US 10-year Treasury yield move above 5% for the first time since 2007.

Elsewhere, the Bank of England ('BoE') and European Central Bank ('ECB') gave the surest sign yet that they are close to, if not already at, the end of their cycles of increasing rates. Both central banks voted to pause their rates rising cycles for the first time since the hikes began. The UK and Eurozone economies have fared worse than the US of late, and recent messaging suggests rate setters are starting to feel they may have done enough, even though inflation continues to run well above target.

The BoE narrowly voted in favour of a first pause at a policy decision since December 2021, ending a run of 14 consecutive interest rate increases. Although the 5-4 vote split to maintain the base rate at 5.25% was by the smallest margin, notably it was supported by prominent members of the panel: governor Andrew Bailey, deputy governors Ben Broadhurst and Sir Dave Ramsden and chief economist Huw Pill. An unexpected drop in the Consumer Price Index ('CPI') the day before the announcement no doubt played a part, with a print of 6.7% a third consecutive decline in this metric. Furthermore, it was well below the consensus forecast and represents a significant drop from last year's peak of 11.1%.

Economic woes in China continued to progress during the period, with increasing concerns surrounding the ongoing property downturn and geopolitical tensions with the US impacting upon equity markets. However, some signs of stability have emerged following recent policy support. Elsewhere, the oil price rose sharply in the third quarter, with international benchmark Brent crude gaining 26% to $96 a barrel – its highest level since November 2022 – before falling back during October despite renewed conflict in the Middle East. Heading into winter, attention will grow on natural gas prices, and we are closely watching energy markets for signs of another rally which would apply upside pressure to inflation.

Investment Manager's Report

continued

An interesting dynamic has developed in the relative performance of so-called "growth" and "value" stocks, with the former outperforming in the US and the latter doing better in Europe. Although the Artificial Intelligence ('AI') hype has clearly boosted a number of US tech stocks, growth's outperformance can also be attributed, at least in part, to the strength of the economy. Higher rates are typically viewed negatively for growth stocks, due to a higher discount rate being applied to future earnings. However, this dynamic depends upon why rates are rising. If a stronger than expected economy is causing the rise, companies expected to grow more in the future will fare even better, potentially offsetting the negative of a higher discount rate. This has seemingly transpired in the US thus far in 2023. The outperformance of value stocks in Europe also supports this, as more pessimistic forecasts for a weaker economy will hurt growth stocks more than their value counterparts.

Investment Review

During the six-month period to 31 October 2023, the A Income Class returned -6.85%* in GBP terms, marginally underperforming its comparator benchmark, the MSCI Europe ex UK Index (net) which returned -6.58%~ in GBP terms. Overall weakness in the European economy and fears of a potential recession have provided a difficult backdrop for holdings during the period.

From a performance perspective, returns from the Sub-fund's allocation to the Energy sector (namely TotalEnergies) provided an uplift to absolute returns, with the Materials exposure also strong on an absolute and relative perspective, thereby continuing its run from the previous report. Elsewhere, security selection decisions within the Health Care sector contributed positively to performance.

In contrast, weakness was seen across the Sub-fund's exposure to the Consumer Discretionary and Consumer Staples sectors, especially within the Consumer Durables & Apparels industry through luxury names such as Richemont Compagnie Financiere and LVMH Moët Hennessy Louis Vuitton, and Food Beverage & Tobacco holdings via Kerry and Pernod Ricard. Another notable detractor to performance came from our stock selection in the Industrials sector, with Alstom selling off sharply following a cash flow warning. Our overweight allocation to Epiroc, similarly within the Industrials sector, also negatively impacted the Sub-fund's performance.

It was an active period for activity within the Sub-fund. We increased our exposure to Sampo OYJ, the Scandinavian insurance business, reinvesting proceeds from the recent spin-off of its personal insurance, wealth and asset management business Mandatum. We see this streamlining of its business as beneficial to the investment thesis. We also trimmed Roche in favour of Novo Nordisk due to a lack of positive development news flow and short-term sales decline, whereas Novo Nordisk's obesity franchise is fuelling strong international growth.

Further adjustments were made, one being the exit of our position in CRH following the company's transition of its primary listing to the US Stock exchange. The proceeds were used to initiate a position in Sika, a global market leader in construction chemicals. We see the company as high quality in a fragmented but steadily growing market, and well positioned to benefit from the structural growth drivers of decarbonisation, automation and urbanisation. We also added to our holding in SAP, the global leader in business management software, for its defensive and high-quality characteristics.

Finally, we re-introduced a position in Adidas, a position originally sold last year. At the time we highlighted that while we retained conviction in the global sportswear growth opportunity, we had concerns regarding the company's corporate strategy. After a lacklustre 2022, we believe Adidas is now at a pivotal moment in its turnaround story, and have faith in the new CEO's ability to improve margins and enhance their commercialisation efforts.

Outlook

Economic activity continues to hold up relatively well in most places despite the higher level of interest rates. The US remains the shining light, reporting a 4.9% annualised pace of GDP growth in the third quarter. Both the equity and bond markets struggled to find any headway in the month of October, but equity valuations look fairly reasonable on the whole and the latest corporate updates suggest prospects for a sharp contraction have diminished, albeit alongside a drop in the chances of a large improvement in the short-term.

*Source: Financial Express, 13 December 2023. All figures to 31 October 2023.

~Source: Data provided by FactSet.

Portfolio Statement

as at 31 October 2023

Holding	Security	Market value £	% of total net assets 2023
	BASIC MATERIALS 1.79% (0.00%)		
	Chemicals 1.79% (0.00%)		
6,790	Sika	1,332,927	1.79
	TECHNOLOGY 12.26% (11.30%)		
	Software and Computer Services 4.73% (3.99%)		
64,242	Prosus	1,478,120	1.98
18,573	SAP	2,045,989	2.75
		3,524,109	4.73
	Technology Hardware and Equipment 7.53% (7.31%)		
8,897	ASML	4,360,591	5.85
52,449	Infineon Technologies	1,252,895	1.68
		5,613,486	7.53
	TELECOMMUNICATIONS 4.01% (3.80%)		
	Telecommunications Service Providers 4.01% (3.80%)		
62,659	Cellnex Telecom	1,511,518	2.03
82,836	Deutsche Telekom	1,473,265	1.98
		2,984,783	4.01
	HEALTH CARE 15.99% (17.19%)		
	Medical Equipment and Services 1.95% (2.00%)		
36,142	Siemens Healthineers	1,456,126	1.95
	Pharmaceuticals and Biotechnology 14.04% (15.19%)		
36,865	Novartis	2,820,678	3.78
38,940	Novo Nordisk	3,074,832	4.13
13,031	Roche	2,757,397	3.70
24,229	Sanofi	1,807,420	2.43
		10,460,327	14.04
	FINANCIALS 21.49% (21.47%)		
	Banks 6.74% (6.81%)		
43,081	BNP Paribas	2,036,099	2.73
150,794	ING Groep	1,575,546	2.11
163,637	Nordea Bank	1,414,896	1.90
		5,026,541	6.74
	Investment Banking and Brokerage Services 4.75% (4.62%)		
33,655	Amundi	1,442,064	1.94
23,241	Euronext	1,331,294	1.79
877	Partners Group	759,289	1.02
		3,532,647	4.75
	Open-End and Miscellaneous Investment Vehicles 3.92% (4.53%)		
1,458,197	JP Morgan Europe Smaller Companies - C Net Income*	1,461,113	1.96
49,726	Vanguard FTSE Developed Europe ex UK UCITS ETF - GBP Distributing*	1,457,220	1.96
		2,918,333	3.92

Portfolio Statement

continued

Holding	Security	Market value £	% of total net assets 2023
	Non-life Insurance 6.08% (5.51%)		
12,380	Allianz	2,380,728	3.19
66,581	Sampo OYJ	2,150,971	2.89
		4,531,699	6.08
	REAL ESTATE 1.99% (2.00%)		
	Real Estate 1.99% (2.00%)		
18,380	Gecina	1,481,664	1.99
	CONSUMER DISCRETIONARY 9.34% (8.29%)		
	Automobiles and Parts 1.78% (1.66%)		
86,776	Stellantis	1,329,402	1.78
	Personal Goods 7.56% (6.63%)		
9,414	Adidas	1,368,787	1.84
14,927	Compagnie Financière Richemont	1,444,200	1.94
4,801	LVMH Moët Hennessy Louis Vuitton	2,819,078	3.78
		5,632,065	7.56
	CONSUMER STAPLES 9.91% (10.38%)		
	Beverages 2.30% (2.82%)		
11,777	Pernod Ricard	1,717,287	2.30
	Food Producers 7.61% (7.56%)		
22,930	Kerry	1,453,611	1.95
47,549	Nestlé	4,219,979	5.66
		5,673,590	7.61
	INDUSTRIALS 14.63% (17.01%)		
	Construction and Materials 0.00% (1.90%)		
	Aerospace and Defense 1.96% (1.86%)		
13,308	Airbus	1,462,756	1.96
	Electronic and Electrical Equipment 5.11% (5.59%)		
69,389	Alstom	769,881	1.03
24,095	Schneider Electric	3,041,084	4.08
		3,810,965	5.11
	General Industrials 3.82% (3.98%)		
26,245	Siemens	2,849,092	3.82
	Industrial Engineering 3.74% (3.68%)		
102,800	Epiroc	1,388,616	1.86
8,428	Schindler	1,397,039	1.88
		2,785,655	3.74
	ENERGY 3.95% (3.97%)		
	Oil, Gas and Coal 3.95% (3.97%)		
53,514	TotalEnergies	2,944,272	3.95

Portfolio Statement

continued

Holding	Security	Market value £	% of total net assets 2023
	UTILITIES 2.14% (1.84%)		
	Electricity 2.14% (1.84%)		
120,530	EDP Renováveis	1,593,321	2.14
	Investment assets	**72,661,047**	**97.50**
	Net other assets	**1,863,662**	**2.50**
	Net assets	**74,524,709**	**100.00**

All investments are ordinary shares or stock units on a regulated securities market unless otherwise stated. The percentages in brackets show the equivalent % holdings as at 30.04.23.

*Collective investment schemes permitted under COLL, not listed on any exchange.

Total purchases for the period: £17,804,353
Total sales for the period: £5,575,317

At the period end the Sub-fund did not hold shares in any other Sub-funds within the MI Quilter Cheviot Investment Funds.

MI Quilter Cheviot European Equity Fund

Net Asset Value and Shares in Issue

Class	Net Asset Value	Shares in issue	Net Asset Value per share p	Operating Charges*
A Income	£59,131,905	63,599,121	92.98	0.21%
A Accumulation	£15,392,804	16,687,308	92.24	0.21%

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

From the 31 October 2023, as a result of changes to guidance, closed-ended funds are not included with the synthetic ongoing charges.

Risk and Reward Profile

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

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

1	2	3	4	5	**6**	7

The Sub-fund is ranked at 6 because funds of this type have experienced high rises and falls in value in the past. Please note that even the lowest risk class can lose you money and that extreme market circumstances can mean you suffer severe losses in all cases. The indicator does not take into account the following risks of investing in this Sub-fund:

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

Risk warning

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

Statement of Total Return

for the period ended 31 October 2023

	31.10.23		31.10.22	
	£	£	£	£
Income				
Net capital losses		(6,449,991)		(2,744,061)
Revenue	966,987		942,430	
Expenses	(64,948)		(58,250)	
Interest payable and similar charges	(55)		–	
Net revenue before taxation	901,984		884,180	
Taxation	(103,634)		(115,918)	
Net revenue after taxation		798,350		768,262
Total return before distributions		**(5,651,641)**		**(1,975,799)**
Distributions		(798,304)		(768,284)
Change in net assets attributable to Shareholders from investment activities		**(6,449,945)**		**(2,744,083)**

Statement of Change in Net Assets Attributable to Shareholders

for the period ended 31 October 2023

	31.10.23		31.10.22	
	£	£	£	£
Opening net assets attributable to Shareholders		**68,763,923**		**67,887,354**
Amounts receivable on issue of shares	19,575,471		9,698,492	
Less: Amounts payable on cancellation of shares	(7,519,776)		(20,692,409)	
		12,055,695		(10,993,917)
Dilution levy		–		8,172
Change in net assets attributable to Shareholders from investment activities (see Statement of Total Return above)		(6,449,945)		(2,744,083)
Retained distributions on accumulation shares		155,036		25,826
Closing net assets attributable to Shareholders		**74,524,709**		**54,183,352**

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

Balance Sheet

as at 31 October 2023

	31.10.23		30.04.23	
	£	£	£	£
ASSETS				
Fixed assets				
Investments		**72,661,047**		**66,875,349**
Current assets				
Debtors	1,818,227		1,033,596	
Cash and bank balances	693,327		1,827,652	
Total current assets		**2,511,554**		**2,861,248**
Total assets		**75,172,601**		**69,736,597**
LIABILITIES				
Creditors				
Bank overdrafts	(273,720)		(23,256)	
Distribution payable	(160,842)		(651,616)	
Other creditors	(213,330)		(297,802)	
Total creditors		**(647,892)**		**(972,674)**
Total liabilities		**(647,892)**		**(972,674)**
Net assets attributable to Shareholders		**74,524,709**		**68,763,923**

Distribution Tables

for the period ended 31 October 2023

Income Share Distributions

Share class	Distribution	Shares	Net revenue p	Equalisation p	Distribution paid/payable 2023 p	Distribution paid 2022 p
A	First interim	Group 1	0.8896	–	0.8896	0.9902
		Group 2	0.1686	0.7210	0.8896	0.9902
	Second Interim	Group 1	0.2529	–	0.2529	0.0970
		Group 2	0.1114	0.1415	0.2529	0.0970
B*	First interim	Group 1	0.5077	–	0.5077	n/a
		Group 2	0.5077	–	0.5077	n/a
	Second Interim	Group 1	n/a	n/a	n/a	n/a
		Group 2	n/a	n/a	n/a	n/a

Accumulation Share Distributions

Share class	Distribution	Shares	Net revenue p	Equalisation p	Amount reinvested 2023 p	Amount reinvested 2022 p
A	First interim	Group 1	0.8720	–	0.8720	0.9443
		Group 2	0.1900	0.6820	0.8720	0.9443
	Second Interim	Group 1	0.2501	–	0.2501	0.0951
		Group 2	0.1047	0.1454	0.2501	0.0951

*Share class launched on 9 May 2023 and was dis-invested on 15 August 2023

First interim period: 01.05.23 - 31.07.23
Second Interim period: 01.08.23 - 31.10.23

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

Equalisation

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

Investment Objective and Policy

for the period ended 31 October 2023

Investment Objective

The Sub-fund aims to achieve income and the potential for capital growth, net of charges, on a rolling five-year basis.

Investment Policy

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

The Sub-fund will invest directly or indirectly in UK and global fixed income securities, cash, near cash, money market instruments and permitted deposits in order to give exposure to a diversified portfolio of fixed interest holdings. The Sub-fund's exposure will be 60% or greater in UK conventional gilts, index-linked gilts and investment grade corporate bonds. The Sub-fund may additionally invest in global sovereign debt and sub-investment grade corporate bonds.

The Sub-fund's indirect investments will include collective investment schemes (which may include those that are managed or operated by the ACD or an associate of the ACD).

The Sub-fund may use derivative instruments for the purpose of Efficient Portfolio Management. The use of derivatives for this purpose may affect the risk profile of the Sub-fund although this is not the ACD's intention. The Sub-fund may use derivative instruments for investment purposes on the giving of 60 days' notice to Shareholders.

Investment Manager's Report

for the period ended 31 October 2023

Market Commentary

A growing feeling that a "higher-for-longer" interest rate environment is taking hold weighed on stocks and bonds into the end of the period. This shift in overall market sentiment gained momentum following September's Federal Reserve ('Fed') policy meeting. US rate setters revised higher projections for future interest rates due to surprising economic strength, and although they have been guiding higher than market expectations for some time, the messaging caused a repricing among investors who had previously been expecting a lower path for rates. As a result, in October we saw the US 10-year Treasury yield move above 5% for the first time since 2007.

Elsewhere, the Bank of England ('BoE') and European Central Bank ('ECB') gave the surest sign yet that they are close to, if not already at, the end of their cycles of increasing rates. Both central banks voted to pause their rates rising cycles for the first time since the hikes began. The UK and Eurozone economies have fared worse than the US of late, and recent messaging suggests rate setters are starting to feel they may have done enough, even though inflation continues to run well above target.

The BoE narrowly voted in favour of a first pause at a policy decision since December 2021, ending a run of 14 consecutive interest rate increases. Although the 5-4 vote split to maintain the base rate at 5.25% was by the smallest margin, notably it was supported by prominent members of the panel: governor Andrew Bailey, deputy governors Ben Broadhurst and Sir Dave Ramsden and chief economist Huw Pill. An unexpected drop in the Consumer Price Index ('CPI') the day before the announcement no doubt played a part, with a print of 6.7% a third consecutive decline in this metric. Furthermore, it was well below the consensus forecast and represents a significant drop from last year's peak of 11.1%.

Economic woes in China continued to progress during the period, with increasing concerns surrounding the ongoing property downturn and geopolitical tensions with the US impacting upon equity markets. However, some signs of stability have emerged following recent policy support. Elsewhere, the oil price rose sharply in the third quarter, with international benchmark Brent crude gaining 26% to $96 a barrel – its highest level since November 2022 – before falling back during October despite renewed conflict in the Middle East. Heading into winter, attention will grow on natural gas prices, and we are closely watching energy markets for signs of another rally which would apply upside pressure to inflation.

Investment Manager's Report

continued

Investment Review

During the six-month period to 31 October 2023, the A Income Class returned -3.60%* in GBP terms, outperforming its comparator benchmark, the iBoxx Sterling Overall Index which returned -4.21%~ in GBP terms.

The aggressive rate rise cycle that commenced in December 2021 continued to cause waves across bond markets during the period. Over the second quarter of 2023, central banks' determination to raise interest rates – given stickier than hoped for inflation – caused notable moves across the gilt market, with the two-year yield rising to 5.28% from 3.47%. In doing so, the yield surpassed the highs from last Autumn caused by ex-chancellor Kwasi Kwarteng's "mini-budget," reaching a new 15-year high.

During the third quarter, UK government bonds fared better than their global counterparts, albeit still delivered a modest headline negative return. Expectations of a potentially lower "terminal rate" in the UK led to a rally in shorter-dated gilts. Moving into October, headline UK government bond yields rose, albeit outperformed their US counterparts 12 months on from the country dealing with its own, more dramatic, fiscal concerns. The short-end of the gilt curve outperformed the long end as well as index-linked bonds, reflecting the growing consensus view that the BoE won't increase rates any further.

Against this backdrop, the Sub-fund's longer-dated conventional gilt holdings, coupled with the index-linked gilt exposure, endured a challenging period. In contrast, positive returns were seen from the shorter-dated European Investment Bank holdings.

In light of the worries regarding widespread contagion in the US regional banking sector, the Fed's ongoing tightening activities as well as the risk of recession, in the first half of the period we decided to increase the defensiveness of the Sub-fund's corporate bond exposure. This was done by reducing the weighting in the Federated Hermes Unconstrained Credit and incorporating Wellington Global Credit ESG. The 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 market debt. The duration of the Sub-fund's gilt exposure was also increased during May and September.

Outlook

Economic activity continues to hold up relatively well in most places despite the higher level of interest rates. The US remains the shining light, reporting a 4.9% annualised pace of GDP growth in the third quarter. Both the equity and bond markets struggled to find any headway in the month of October, but equity valuations look fairly reasonable on the whole and the latest corporate updates suggest prospects for a sharp contraction have diminished, albeit alongside a drop in the chances of a large improvement in the short-term.

We believe developed government bonds and investment grade credit offer attractive long-term value at these levels, with central banks close to, if not already at, a peak in rates. This has been reflected by incrementally adding to duration, given our view on where we are in the monetary policy cycle, with developed sovereign bonds once again offering the potential to provide downside protection within portfolios should we see a weakening of the global economic outlook.

*Source: Financial Express, 13 December 2023. All figures to 31 October 2023.

~Source: Data provided by FactSet.

Portfolio Statement

as at 31 October 2023

Holding	Security	Market value £	% of total net assets 2023
	FINANCIALS 49.60% (48.82%)		
	Open-End and Miscellaneous Investment Vehicles 49.60% (48.82%)		
19,357,669	Federated Hermes Unconstrained Credit - M3 GBP Distribution*	15,596,474	7.46
36,449,629	Royal London Sterling Credit - Z Income*	41,406,779	19.81
350,660	Vanguard UK Investment Grade Bond - Institutional Plus GBP Distribution*	31,055,235	14.86
1,706,216	Wellington Global Credit ESG - G Q1 DisH GBP*	15,600,104	7.47
		103,658,592	49.60
	DEBT INSTRUMENTS 46.79% (47.46%)		
	Pound sterling denominated government debt securities 46.79% (47.46%)		
£1,828,000	European Investment Bank 0.75% 15.11.24	1,745,027	0.84
£1,745,000	European Investment Bank 0.875% 15.12.23	1,735,595	0.83
£14,434,443	UK Treasury 0.125% Index-Linked 22.03.46	15,454,643	7.39
£10,638,191	UK Treasury 0.875% 22.10.29	8,736,082	4.18
£11,262,711	UK Treasury 1.25% Index-Linked 22.11.32	20,378,141	9.75
£16,551,252	UK Treasury 1.50% 22.07.47	8,585,631	4.11
£21,756,262	UK Treasury 1.625% 22.10.54	10,428,864	4.99
£10,356,726	UK Treasury 4.50% 07.09.34	10,267,244	4.91
£21,653,620	UK Treasury 4.50% 07.12.42	20,470,033	9.79
		97,801,260	46.79
	Investment assets	**201,459,852**	**96.39**
	Net other assets	**7,546,656**	**3.61**
	Net assets	**209,006,508**	**100.00**

All investments are ordinary shares or stock units on a regulated securities market unless otherwise stated. The percentages in brackets show the equivalent % holdings as at 30.04.23.

*Collective investment schemes permitted under COLL, not listed on any exchange.

Total purchases for the period: £84,957,439
Total sales for the period: £30,968,520

At the period end the Sub-fund did not hold shares in any of the other Sub-funds within the MI Quilter Cheviot Investment Funds.

Analysis of bonds by credit rating^	Market value £	% of total net assets 31.10.23	% of total net assets 30.04.23
Investment grade (BBB & above)	97,801,260	46.79	47.46

^Source: Northern Trust Investor Services Limited

Net Asset Value and Shares in Issue

Class	Net Asset Value	Shares in issue	Net Asset Value per share p	Operating Charges*
A Income	£169,140,509	235,696,418	71.76	0.26%
A Accumulation	£39,865,999	53,784,455	74.12	0.26%

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

From the 31 October 2023, as a result of changes to guidance, closed-ended funds are not included with the synthetic ongoing charges.

Risk and Reward Profile

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

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

The Sub-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 Sub-fund:

- Bond values are affected by changes in interest rates, inflation and any decline in creditworthiness of the bond issuer. Bonds that produce a higher level of income usually also carry greater risk as such bond issuers may not be able to pay the bond income as promised or could fail to repay the capital amount used to purchase the bond. 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 Sub-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 Sub-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.

Risk warning

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

Statement of Total Return

for the period ended 31 October 2023

		31.10.23		31.10.22
	£	£	£	£
Income				
Net capital losses		(10,180,090)		(21,003,019)
Revenue	4,027,639		2,145,194	
Expenses	(99,827)		(80,463)	
Interest payable and similar charges	–		–	
Net revenue before taxation	3,927,812		2,064,731	
Taxation	–		–	
Net revenue after taxation		3,927,812		2,064,731
Total return before distributions		**(6,252,278)**		**(18,938,288)**
Distributions		(3,927,747)		(2,064,835)
Change in net assets attributable to Shareholders from investment activities		**(10,180,025)**		**(21,003,123)**

Statement of Change in Net Assets Attributable to Shareholders

for the period ended 31 October 2023

		31.10.23		31.10.22
	£	£	£	£
Opening net assets attributable to Shareholders		**162,510,067**		**113,041,296**
Amounts receivable on issue of shares	75,952,804		37,801,628	
Less: Amounts payable on cancellation of shares	(20,074,536)		(10,401,279)	
		55,878,268		27,400,349
Dilution levy		–		3,367
Change in net assets attributable to Shareholders from investment activities (see Statement of Total Return above)		(10,180,025)		(21,003,123)
Retained distributions on accumulation shares		798,198		86,921
Closing net assets attributable to Shareholders		**209,006,508**		**119,528,810**

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

Balance Sheet
as at 31 October 2023

	31.10.23		30.04.23	
	£	£	£	£
ASSETS				
Fixed assets				
Investments		**201,459,852**		**156,468,477**
Current assets				
Debtors	2,952,410		5,660,875	
Cash and bank balances	13,169,826		3,254,569	
Total current assets		**16,122,236**		**8,915,444**
Total assets		**217,582,088**		**165,383,921**
LIABILITIES				
Creditors				
Bank overdrafts	(1,187,436)		(728,414)	
Distribution payable	(2,128,810)		(1,574,094)	
Other creditors	(5,259,334)		(571,346)	
Total creditors		**(8,575,580)**		**(2,873,854)**
Total liabilities		**(8,575,580)**		**(2,873,854)**
Net assets attributable to Shareholders		**209,006,508**		**162,510,067**

Distribution Tables

for the period ended 31 October 2023

Income Share Distributions

Share class	Distribution	Shares	Net revenue p	Equalisation p	Distribution paid/payable 2023 p	Distribution paid 2022 p
A	First interim	Group 1	0.7258	–	0.7258	0.6409
		Group 2	0.3503	0.3755	0.7258	0.6409
	Second interim	Group 1	0.9032	–	0.9032	0.7514
		Group 2	0.2529	0.6503	0.9032	0.7514
B*	First interim	Group 1	0.4891	–	0.4891	n/a
		Group 2	0.4891	–	0.4891	n/a
	Second interim	Group 1	n/a	n/a	n/a	n/a
		Group 2	n/a	n/a	n/a	n/a

Accumulation Share Distributions

Share class	Distribution	Shares	Net revenue p	Equalisation p	Amount reinvested 2023 p	Amount reinvested 2022 p
A	First interim	Group 1	0.7303	–	0.7303	0.6185
		Group 2	0.3462	0.3841	0.7303	0.6185
	Second interim	Group 1	0.9535	–	0.9535	0.7564
		Group 2	0.3718	0.5817	0.9535	0.7564

*Share class launched on 9 May 2023 and was dis-invested on 8 August 2023

First interim period: 01.05.23 - 31.07.23
Second interim period: 01.08.23 - 31.10.23

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

Equalisation

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

Investment Objective and Policy

for the period ended 31 October 2023

Investment Objective

The Sub-fund aims to achieve capital growth and income, net of charges, on a rolling five-year basis.

Investment Policy

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

The Sub-fund will invest at least 90% directly or indirectly, in shares of North American companies. The Sub-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 this but it is not expected to ever fall below 60%. North American companies are those that are domiciled, incorporated or have a significant portion of their business in North America, even if listed elsewhere.

The Sub-fund may also invest in other transferable securities, warrants, money market instruments, deposits and cash.

The Sub-fund's indirect investments will include collective investment schemes (which may include those that are managed or operated by the ACD or an associate of the ACD).

The Sub-fund may use derivative instruments for the purpose of Efficient Portfolio Management. The use of derivatives for this purpose may affect the risk profile of the Sub-fund although this is not the ACD's intention. The Sub-fund may use derivative instruments for investment purposes on the giving of 60 days' notice to Shareholders.

The Investment Manager's strategy for selecting investments and allocating to sectors is dynamic and will reflect its assessment of the market cycle.

Investment Manager's Report

for the period ended 31 October 2023

Market Commentary

A growing feeling that a "higher-for-longer" interest rate environment is taking hold weighed on stocks and bonds into the end of the period. This shift in overall market sentiment gained momentum following September's Federal Reserve ('Fed') policy meeting. US rate setters revised higher projections for future interest rates due to surprising economic strength, and although they have been guiding higher than market expectations for some time, the messaging caused a repricing among investors who had previously been expecting a lower path for rates. As a result, in October we saw the US 10-year Treasury yield move above 5% for the first time since 2007.

Elsewhere, the Bank of England ('BoE') and European Central Bank ('ECB') gave the surest sign yet that they are close to, if not already at, the end of their cycles of increasing rates. Both central banks voted to pause their rates rising cycles for the first time since the hikes began. The UK and Eurozone economies have fared worse than the US of late, and recent messaging suggests rate setters are starting to feel they may have done enough, even though inflation continues to run well above target.

The BoE narrowly voted in favour of a first pause at a policy decision since December 2021, ending a run of 14 consecutive interest rate increases. Although the 5-4 vote split to maintain the base rate at 5.25% was by the smallest margin, notably it was supported by prominent members of the panel: governor Andrew Bailey, deputy governors Ben Broadhurst and Sir Dave Ramsden and chief economist Huw Pill. An unexpected drop in the Consumer Price Index ('CPI') the day before the announcement no doubt played a part, with a print of 6.7% a third consecutive decline in this metric. Furthermore, it was well below the consensus forecast and represents a significant drop from last year's peak of 11.1%.

Economic woes in China continued to progress during the period, with increasing concerns surrounding the ongoing property downturn and geopolitical tensions with the US impacting upon equity markets. However, some signs of stability have emerged following recent policy support. Elsewhere, the oil price rose sharply in the third quarter, with international benchmark Brent crude gaining 26% to $96 a barrel – its highest level since November 2022 – before falling back during October despite renewed conflict in the Middle East. Heading into winter, attention will grow on natural gas prices, and we are closely watching energy markets for signs of another rally which would apply upside pressure to inflation.

An interesting dynamic has developed in the relative performance of so-called "growth" and "value" stocks, with the former outperforming in the US and the latter doing better in Europe. Although the Artificial Intelligence ('AI') hype has clearly boosted a number of US tech stocks, growth's outperformance can also be attributed, at least in part, to the strength of the economy. Higher rates are typically viewed negatively for growth stocks, due to a higher discount rate being applied to future earnings. However, this dynamic depends upon why rates are rising. If a stronger than expected economy is causing the rise, companies expected to grow more in the future will fare even better, potentially offsetting the negative of a higher discount rate. This has seemingly transpired in

Investment Manager's Report

continued

the US thus far in 2023. The outperformance of value stocks in Europe also supports this, as more pessimistic forecasts for a weaker economy will hurt growth stocks more than their value counterparts.

Investment Review

During the six-month period to 31 October 2023, the A Income Class returned 3.00%* in GBP terms, underperforming its comparator benchmark, the MSCI North America Index (net) which returned 4.82%~ in GBP terms.

From an attribution perspective, weakness was seen from the Sub-fund's stock selection within the Consumer Staples, Utilities and Health Care sectors. Thermo Fisher Scientific (the manufacturer and distributer of life science tools and diagnostics) and global biopharmaceutical company Pfizer endured economic headwinds, leading both to guide lower on expected revenues, with the latter also experiencing a reduction in demand for Covid-19 products. NextEra Energy (the only holding within the Utilities sector across the Sub-fund) alongside discount retailer Dollar General in the Consumer Staples sector, also negatively impacted performance. Elsewhere, our exposure to companies within the Energy sector lagged the broader index, fuelled by both Chevron and Exxon Mobil missing consensus expectations. Finally, despite experiencing pleasing headline returns within the Information Technology sector, the Sub-fund's underweight position to NVIDIA led to marginal underperformance versus the headline sector return.

Conversely, stock selection within the Financials sector was a positive contributor to performance. The relative overweight positions assigned to Ares Management, a leading alternatives asset manager, Markel and Marsh & McLennan contributed to the Sub-fund's positive returns. Strong returns also came from our exposure to the Industrials sector via Union Pacific and United Rentals, where the latter reported an impressive set of results in the third quarter.

Turning to activity, and in June we sold our position in Dollar General given growing uncertainty surrounding the investment thesis. Weak earnings guidance, evidence of its core consumer experiencing more financial stress than expected and execution mishaps have led to higher near-term uncertainty, with the stock having continued to struggle since the sale of the holding. Elsewhere, a modest addition was made to our existing position in Exxon Mobil, as part of a review of the Sub-fund's Energy sector exposure.

In August we topped up our position in Alphabet and Palo Alto Networks, the US cybersecurity business, having trimmed the latter holding earlier in the period out of caution ahead of their Q4 results. The subsequent announcement alleviated these concerns, and reinforced our long-term conviction in the holding. These trades were funded through a reduction in our holding in chip manufacturer Taiwan Semiconductor and the sale of our residual position in The Walt Disney Company, a disappointing performer since its reintroduction to the fund at the end of 2022. Despite the quality of the company's brands, its traditional TV channels have seen meaningful sales and profitability declines. Coupled with a number of other challenges facing the company at this point in time, we have chosen to move on from the holding.

Across the Sub-fund's semiconductors exposure, we took profits on the holding in Advanced Micro Devices and used the proceeds to re-initiate a modest position in NVIDIA which, given recent strength, has now become a meaningful index position. We remain wary of chasing the generative AI theme too aggressively, retaining a broadly neutral allocation to Information Technology while ensuring a sufficiently diversified allocation across our key conviction ideas within the sector. Another idea re-initiated during the period was Meta Platforms, a holding originally exited in early 2022. We believe the company has since significantly improved from an execution perspective, harnessing cost discipline whilst focusing on monetising its mobile ad business.

Focusing on new positions, in July we added a position in Equinix, the largest publicly listed data centre company which operates centres worldwide. We view Equinix as a high-quality operator in this space, and see the stock as an attractive means of gaining exposure to a long-term growth market: one underpinned by an increasing array of data demands from streaming content, cloud computing and 5G networks, through to AI spending. Salesforce was another new idea introduced within the Sub-fund. The company is a leading provider of Software as a Service ('SaaS') with principal products in Customer Relationship Management (CRM), part of the enterprise software market. Unlike traditional software, SaaS software has no large upfront fee, lower implementation costs and is paid for by a subscription fee. We like Salesforce for its resilient sales growth in a difficult economic backdrop, its improving profitability and increasingly shareholder friendly profile. Lastly, following the company's transition of its primary listing to the US Stock exchange, we initiated a position in CRH, the manufacturer and supplier of a diverse range of building materials and products for use in North America and Europe.

Outlook

Economic activity continues to hold up relatively well in most places despite the higher level of interest rates. The US remains the shining light, reporting a 4.9% annualised pace of GDP growth in the third quarter. Both the equity and bond markets struggled to find any headway in the month of October, but equity valuations look fairly reasonable on the whole and the latest corporate updates suggest prospects for a sharp contraction have diminished, albeit alongside a drop in the chances of a large improvement in the short-term.

*Source: Financial Express, 13 December 2023. All figures to 31 October 2023.

~Source: Data provided by FactSet.

Portfolio Statement

as at 31 October 2023

Holding	Security	Market value £	% of total net assets 2023
	TECHNOLOGY 30.20% (24.75%)		
	Software and Computer Services 19.92% (14.25%)		
133,843	Alphabet A Class	13,665,251	3.61
12,659	Equinix	7,603,320	2.01
17,574	Intuit	7,154,013	1.89
28,241	Meta Platforms	7,002,829	1.86
94,348	Microsoft	26,257,138	6.94
35,957	Palo Alto Networks	7,190,808	1.90
39,051	Salesforce	6,455,888	1.71
		75,329,247	19.92
	Technology Hardware and Equipment 10.28% (10.50%)		
152,146	Apple	21,385,355	5.66
132,082	Micron Technology	7,269,511	1.92
10,052	NVIDIA	3,372,732	0.89
96,504	Taiwan Semiconductor	6,856,487	1.81
		38,884,085	10.28
	TELECOMMUNICATIONS 2.04% (1.65%)		
	Telecommunications Service Providers 2.04% (1.65%)		
65,100	T-Mobile	7,708,787	2.04
	HEALTH CARE 11.21% (11.98%)		
	Medical Equipment and Services 4.66% (4.66%)		
123,188	Medtronic	7,153,179	1.89
28,562	Thermo Fisher Scientific	10,453,767	2.77
		17,606,946	4.66
	Pharmaceuticals and Biotechnology 6.55% (7.32%)		
123,651	Merck	10,452,520	2.76
297,313	Pfizer	7,476,879	1.98
53,046	Zoetis	6,855,196	1.81
		24,784,595	6.55
	FINANCIALS 12.32% (15.18%)		
	Finance and Credit Services 1.92% (1.95%)		
25,289	S&P Global	7,268,818	1.92
	Investment Banking and Brokerage Services 5.72% (5.86%)		
94,506	Ares Management	7,669,860	2.03
340,084	Bank of America	7,373,899	1.95
57,349	JP Morgan Chase	6,563,883	1.74
		21,607,642	5.72
	Open-End and Miscellaneous Investment Vehicles 0.93% (3.43%)		
103,240	iShares S&P 500 UCITS ETF - USD Distributing	3,534,163	0.93
	Non-life Insurance 3.75% (3.94%)		
5,958	Markel	7,212,182	1.91
44,650	Marsh & McLennan	6,970,590	1.84
		14,182,772	3.75

Portfolio Statement

continued

Holding	Security	Market value £	% of total net assets 2023
	CONSUMER DISCRETIONARY 11.11% (14.25%)		
	Media 2.01% (3.58%)		
22,427	Netflix	7,600,404	2.01
	Retailers 7.18% (8.74%)		
176,614	Amazon.com	19,340,600	5.12
92,142	Nike	7,795,055	2.06
		27,135,655	7.18
	Travel and Leisure 1.92% (1.93%)		
46,774	Marriot International	7,257,517	1.92
	CONSUMER STAPLES 5.85% (5.58%)		
	Beverages 2.04% (1.87%)		
166,124	Coca Cola	7,723,645	2.04
	Food Producers 2.07% (1.96%)		
143,485	Mondelez International	7,820,334	2.07
	Tobacco 1.74% (1.75%)		
89,690	Philip Morris International	6,582,041	1.74
	INDUSTRIALS 13.88% (13.86%)		
	Construction and Materials 0.90% (0.00%)		
77,296	CRH	3,408,583	0.90
	Electronic and Electrical Equipment 3.61% (3.74%)		
33,291	Rockwell Automation	7,199,439	1.90
88,363	Emerson Electric	6,470,837	1.71
		13,670,276	3.61
	Industrial Support Services 4.73% (5.60%)		
88,294	Advanced Micro Devices	7,159,169	1.89
55,445	Visa Class A	10,725,696	2.84
		17,884,865	4.73
	Industrial Transportation 4.64% (4.52%)		
61,913	Union Pacific	10,579,437	2.80
20,867	United Rentals	6,974,161	1.84
		17,553,598	4.64
	BASIC MATERIALS 2.94% (3.19%)		
	Chemicals 2.94% (3.19%)		
35,423	Linde	11,143,607	2.94
	ENERGY 4.19% (5.10%)		
	Oil, Gas and Coal 4.19% (5.10%)		
50,024	Chevron	5,999,750	1.59
112,950	Exxon Mobil	9,839,890	2.60
		15,839,640	4.19

Portfolio Statement

continued

Holding	Security	Market value £	% of total net assets 2023
	UTILITIES 2.06% (1.86%)		
	Electricity 2.06% (1.86%)		
162,120	Nextera Energy	7,779,038	2.06
	Investment assets	**362,306,258**	**95.80**
	Net other assets	**15,888,412**	**4.20**
	Net assets	**378,194,670**	**100.00**

All investments are ordinary shares or stock units on a regulated securities market unless otherwise stated. The percentages in brackets show the equivalent % holdings as at 30.04.23.

Total purchases for the period: £87,923,270
Total sales for the period: £54,222,404

At the period end the Sub-fund did not hold shares in any of the other Sub-funds within the MI Quilter Cheviot Investment Funds.

Net Asset Value and Shares in Issue

Class	Net Asset Value	Shares in issue	Net Asset Value per share p	Operating Charges*
A Income	£299,639,709	285,185,243	105.07	0.10%
A Accumulation	£77,251,973	80,280,143	96.23	0.10%
B Accumulation	£1,302,988	1,245,442	104.62	0.90%

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

From the 31 October 2023, as a result of changes to guidance, closed-ended funds are not included with the synthetic ongoing charges.

Risk and Reward Profile

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

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

1	2	3	4	5	**6**	7

The Sub-fund is ranked at 6 because funds of this type have experienced high rises and falls in value in the past. Please note that even the lowest risk class can lose you money and that extreme market circumstances can mean you suffer severe losses in all cases. The indicator does not take into account the following risks of investing in this Sub-fund:

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

Risk warning

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

Statement of Total Return

for the period ended 31 October 2023

	31.10.23		31.10.22	
	£	£	£	£
Income				
Net capital gains		10,300,892		9,164,594
Revenue	2,579,514		2,248,128	
Expenses	(188,113)		(157,191)	
Interest payable and similar charges	–		–	
Net revenue before taxation	2,391,401		2,090,937	
Taxation	(293,668)		(289,749)	
Net revenue after taxation		2,097,733		1,801,188
Total return before distributions		**12,398,625**		**10,965,782**
Distributions		(2,097,659)		(1,801,154)
Change in net assets attributable to Shareholders from investment activities		**10,300,966**		**9,164,628**

Statement of Change in Net Assets Attributable to Shareholders

for the period ended 31 October 2023

	31.10.23		31.10.22	
	£	£	£	£
Opening net assets attributable to Shareholders		**326,770,711**		**286,024,135**
Amounts receivable on issue of shares	85,424,144		46,550,414	
Less: Amounts payable on cancellation of shares	(44,719,569)		(47,050,653)	
		40,704,575		(500,239)
Dilution levy		–		7,363
Change in net assets attributable to Shareholders from investment activities (see Statement of Total Return above)		10,300,966		9,164,628
Retained distributions on accumulation shares		418,418		84,392
Closing net assets attributable to Shareholders		**378,194,670**		**294,780,279**

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

Balance Sheet

as at 31 October 2023

	31.10.23		30.04.23	
	£	£	£	£
ASSETS				
Fixed assets				
Investments		**362,306,258**		**318,259,480**
Current assets				
Debtors	7,140,513		2,428,395	
Cash and bank balances	10,725,904		8,080,660	
Total current assets		**17,866,417**		**10,509,055**
Total assets		**380,172,675**		**328,768,535**
LIABILITIES				
Creditors				
Bank overdrafts	(80,056)		(66,571)	
Distribution payable	(899,189)		(788,155)	
Other creditors	(998,760)		(1,143,098)	
Total creditors		**(1,978,005)**		**(1,997,824)**
Total liabilities		**(1,978,005)**		**(1,997,824)**
Net assets attributable to Shareholders		**378,194,670**		**326,770,711**

Distribution Tables

for the period ended 31 October 2023

Income Share Distributions

Share class	Distribution	Shares	Net revenue p	Equalisation p	Distribution paid/payable 2023 p	Distribution paid 2022 p
A	First interim	Group 1	0.3235	–	0.3235	0.3232
		Group 2	0.1308	0.1927	0.3235	0.3232
	Interim	Group 1	0.3153	–	0.3153	0.3151
		Group 2	0.0915	0.2238	0.3153	0.3151
B*	First interim	Group 1	0.1299	–	0.1299	n/a
		Group 2	0.1299	–	0.1299	n/a
	Interim	Group 1	n/a	n/a	n/a	n/a
		Group 2	n/a	n/a	n/a	n/a

Accumulation Share Distributions

Share class	Distribution	Shares	Net revenue p	Equalisation p	Amount reinvested 2023 p	Amount reinvested 2022 p
A	First interim	Group 1	0.2945	–	0.2945	0.2868
		Group 2	0.1268	0.1677	0.2945	0.2868
	Interim	Group 1	0.2874	–	0.2874	0.2843
		Group 2	0.0713	0.2161	0.2874	0.2843
B**	First interim	Group 1	0.1082	–	0.1082	n/a
		Group 2	0.0582	0.0500	0.1082	n/a
	Interim	Group 1	0.0950	–	0.0950	n/a
		Group 2	0.0950	–	0.0950	n/a

*Share class launched on 9 May 2023 and was dis-invested on 18 September 2023
**Share class launched on 5 April 2023

First interim period: 01.05.23 - 31.07.23
Interim period: 01.08.23 - 31.10.23

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

Equalisation

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

Investment Objective and Policy

for the period ended 31 October 2023

Investment Objective

The Sub-fund aims to achieve capital growth and income, net of charges, on a rolling five-year basis.

Investment Policy

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

The Sub-fund will invest at least 90% directly or indirectly, in shares of UK companies. The Sub-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 this but it is not expected to ever fall below 60%. UK companies are those that are domiciled, incorporated or have a significant portion of their business in the UK, even if listed elsewhere. No more than 20% of the Sub-fund will consist of shares of smaller companies.

The Sub-fund may also invest in other transferable securities, collective investment schemes, warrants, money market instruments, deposits and cash.

The Sub-fund's indirect investments will include collective investment schemes (which may include those that are managed or operated by the ACD or an associate of the ACD).

The Sub-fund may use derivative instruments for the purpose of Efficient Portfolio Management. The use of derivatives for this purpose may affect the risk profile of the Sub-fund although this is not the ACD's intention. The Sub-fund may use derivative instruments for investment purposes on the giving of 60 days' notice to Shareholders.

The Investment Manager's strategy for selecting investments and allocating to sectors is dynamic and will reflect its assessment of the market cycle.

Investment Manager's Report

for the period ended 31 October 2023

Market Commentary

A growing feeling that a "higher-for-longer" interest rate environment is taking hold weighed on stocks and bonds into the end of the period. This shift in overall market sentiment gained momentum following September's Federal Reserve ('Fed') policy meeting. US rate setters revised higher projections for future interest rates due to surprising economic strength, and although they have been guiding higher than market expectations for some time, the messaging caused a repricing among investors who had previously been expecting a lower path for rates. As a result, in October we saw the US 10-year Treasury yield move above 5% for the first time since 2007.

Elsewhere, the Bank of England ('BoE') and European Central Bank ('ECB') gave the surest sign yet that they are close to, if not already at, the end of their cycles of increasing rates. Both central banks voted to pause their rates rising cycles for the first time since the hikes began. The UK and Eurozone economies have fared worse than the US of late, and recent messaging suggests rate setters are starting to feel they may have done enough, even though inflation continues to run well above target.

The BoE narrowly voted in favour of a first pause at a policy decision since December 2021, ending a run of 14 consecutive interest rate increases. Although the 5-4 vote split to maintain the base rate at 5.25% was by the smallest margin, notably it was supported by prominent members of the panel: governor Andrew Bailey, deputy governors Ben Broadhurst and Sir Dave Ramsden and chief economist Huw Pill. An unexpected drop in the Consumer Price Index ('CPI') the day before the announcement no doubt played a part, with a print of 6.7% a third consecutive decline in this metric. Furthermore, it was well below the consensus forecast and represents a significant drop from last year's peak of 11.1%.

Economic woes in China continued to progress during the period, with increasing concerns surrounding the ongoing property downturn and geopolitical tensions with the US impacting upon equity markets. However, some signs of stability have emerged following recent policy support. Elsewhere, the oil price rose sharply in the third quarter, with international benchmark Brent crude gaining 26% to $96 a barrel – its highest level since November 2022 – before falling back during October despite renewed conflict in the Middle East. Heading into winter, attention will grow on natural gas prices, and we are closely watching energy markets for signs of another rally which would apply upside pressure to inflation.

Investment Manager's Report

continued

An interesting dynamic has developed in the relative performance of so-called "growth" and "value" stocks, with the former outperforming in the US and the latter doing better in Europe. Although the Artificial Intelligence ('AI') hype has clearly boosted a number of US tech stocks, growth's outperformance can also be attributed, at least in part, to the strength of the economy. Higher rates are typically viewed negatively for growth stocks, due to a higher discount rate being applied to future earnings. However, this dynamic depends upon why rates are rising. If a stronger than expected economy is causing the rise, companies expected to grow more in the future will fare even better, potentially offsetting the negative of a higher discount rate. This has seemingly transpired in the US thus far in 2023. The outperformance of value stocks in Europe also supports this, as more pessimistic forecasts for a weaker economy will hurt growth stocks more than their value counterparts.

Investment Review

During the six month period to 31 October 2023, the A Income Class returned -2.68%* in GBP terms, outperforming its comparator benchmark, the MSCI United Kingdom Index (net) which returned -5.18%~ in GBP terms.

From an attribution perspective, positive absolute and relative returns came from the Sub-fund's exposure to the Industrials sector. Melrose Industries reported a strong set of numbers in their recent results, driven by high demand and effective pricing models. The company also initiated a share buyback programme in October, further supporting shareholder returns. Another positive contributor within the Industrials space was RELX, where we continue to see supportive evidence for our thesis play out as the company sees a recovery in its Exhibitions segment, while also benefiting from developments in generative AI.

The other significant contributor came from the Information Technology sector. Darktrace, a position initiated in October 2022, generated positive returns, with wider market confidence restored post an independent third-party review conducted by Ernst & Young. The findings reassured investors that there are no material risks in the company's financial processes and controls, and were accompanied by a strong trading update and buoyant guidance.

Conversely, a detractor to relative returns over the period came from the Sub-fund's exposure to the mid-cap segment of the UK market via a holding in the Vanguard FTSE 250 UCITS ETF. This reflected expectations of relatively weaker growth for the UK economy, with the mid-cap segment more domestically focused than the large and mega-cap components of the index.

During the period, in the Financials sector we trimmed NatWest and increased the allocation to HSBC, taking precautions around senior management changes in the former, while demonstrating conviction in the continued defensive qualities of the latter. However, we still believe in the capital return opportunity and attractive valuation of NatWest, and therefore retain a reduced exposure.

Earlier in the period, we exited our residual position in Taylor Wimpey, trimmed our position in BP and rotated the proceeds into RELX. As cited, we see the developments in artificial intelligence as being a benefit to the company and have been steadily adding to the holding, taking advantage of price weakness.

We initiated two new holdings into the Sub-fund. The first involved exiting National Grid and investing the proceeds into SSE, one of the largest vertically integrated energy groups in the UK. Catalysts for the switch can be attributed to SSE's sector-leading transmission and distribution network growth, attractive renewable exposure, and a stronger balance sheet with less gearing. Furthermore, we believe these advantages to be priced at a reasonable valuation relative to its peers.

Lastly, we trimmed Ashtead following recent strength, and initiated a position in BAE Systems, one of the world's largest suppliers of defence-related equipment and services. The thesis behind the holding is that we expect higher global defence budgets across the US, Europe, and Asia, as many countries prepare for new geopolitical realities and seek to reverse the under-investment in defence since the 1990's. BAE has delivered a strong set of first half 2023 results, as well as a further share buyback programme.

Outlook

Economic activity continues to hold up relatively well in most places despite the higher level of interest rates. The US remains the shining light, reporting a 4.9% annualised pace of GDP growth in the third quarter. Both the equity and bond markets struggled to find any headway in the month of October, but equity valuations look fairly reasonable on the whole and the latest corporate updates suggest prospects for a sharp contraction have diminished, albeit alongside a drop in the chances of a large improvement in the short-term.

*Source: Financial Express, 22 December 2023. All figures to 31 October 2023.

~Source: Data provided by FactSet.

Portfolio Statement

as at 31 October 2023

Holding	Security	Market value £	% of total net assets 2023
	TECHNOLOGY 2.30% (1.95%)		
	Software and Computer Services 2.30% (1.95%)		
1,528,073	Darktrace	5,346,727	2.30
	TELECOMMUNICATIONS 2.08% (1.94%)		
	Telecommunications Service Providers 2.08% (1.94%)		
4,299,202	BT	4,847,350	2.08
	HEALTH CARE 13.06% (11.35%)		
	Pharmaceuticals and Biotechnology 13.06% (11.35%)		
202,926	AstraZeneca	20,791,798	8.92
332,172	GSK	4,841,075	2.08
1,457,067	Haleon	4,801,036	2.06
		30,433,909	13.06
	FINANCIALS 25.11% (30.07%)		
	Banks 8.08% (8.49%)		
1,879,900	HSBC	11,130,888	4.78
2,031,594	Natwest	3,619,285	1.55
646,091	Standard Chartered	4,070,373	1.75
		18,820,546	8.08
	Finance and Credit Services 2.17% (1.93%)		
60,969	London Stock Exchange	5,047,014	2.17
	Investment Banking and Brokerage Services 4.10% (4.23%)		
243,284	3i	4,705,113	2.02
370,894	Intermediate Capital	4,838,312	2.08
		9,543,425	4.10
	Open-End and Miscellaneous Investment Vehicles 6.87% (11.53%)		
334,833	FTF Franklin UK Smaller Companies - S Income*	2,067,926	0.89
527,502	Vanguard FTSE 250 UCITS ETF - GBP Distributing	13,923,415	5.98
		15,991,341	6.87
	Life Insurance 3.89% (3.89%)		
2,066,496	Legal and General	4,360,307	1.87
549,021	Prudential	4,709,502	2.02
		9,069,809	3.89
	REAL ESTATE 2.88% (2.13%)		
	Real Estate Investment Trusts 2.88% (2.13%)		
940,213	SEGRO	6,699,958	2.88
	CONSUMER DISCRETIONARY 9.78% (8.94%)		
	Automobiles and Parts 0.00% (0.57%)		
	Consumer Services 2.11% (1.88%)		
236,846	Compass	4,909,818	2.11
	Household Goods and Home Construction 0.00% (0.92%)		
	Media 4.07% (1.76%)		
330,254	RELX	9,471,685	4.07

Portfolio Statement

continued

Holding	Security	Market value £	% of total net assets 2023
	Retailers 1.56% (1.74%)		
2,855,206	JD Sports Fashion	3,640,388	1.56
	Travel and Leisure 2.04% (2.07%)		
142,775	Whitbread	4,751,552	2.04
	CONSUMER STAPLES 10.90% (10.21%)		
	Beverages 4.00% (3.68%)		
299,731	Diageo	9,311,144	4.00
	Tobacco 2.96% (2.75%)		
281,368	British American Tobacco	6,903,364	2.96
	Personal Care, Drug and Grocery Stores 3.94% (3.78%)		
235,878	Unilever	9,173,295	3.94
	INDUSTRIALS 11.79% (10.33%)		
	Aerospace and Defense 4.17% (1.75%)		
439,199	BAE Systems	4,842,169	2.08
1,041,685	Melrose Industries	4,864,669	2.09
		9,706,838	4.17
	Electronic and Electrical Equipment 2.97% (2.98%)		
105,207	Halma	1,940,542	0.83
340,932	IMI	4,994,654	2.14
		6,935,196	2.97
	General Industrials 1.79% (1.72%)		
1,459,363	DS Smith	4,162,103	1.79
	Industrial Support Services 1.96% (1.96%)		
183,706	Experian	4,576,116	1.96
	Industrial Transportation 0.90% (1.92%)		
44,416	Ashtead	2,088,883	0.90
	BASIC MATERIALS 7.02% (6.88%)		
	Industrial Metals and Mining 7.02% (6.88%)		
210,024	Anglo American	4,403,153	1.89
227,207	Rio Tinto	11,937,456	5.13
		16,340,609	7.02
	ENERGY 12.00% (11.62%)		
	Oil, Gas and Coal 12.00% (11.62%)		
1,442,636	BP	7,249,246	3.11
782,636	Shell	20,708,549	8.89
		27,957,795	12.00

Portfolio Statement

continued

Holding	Security	Market value £	% of total net assets 2023
	UTILITIES 2.10% (1.93%)		
	Gas, Water and Multi-utilities 2.10% (1.93%)		
299,558	SSE	4,887,289	2.10
	Investment assets	**230,616,154**	**99.02**
	Net other assets	**2,294,060**	**0.98**
	Net assets	**232,910,214**	**100.00**

All investments are ordinary shares or stock units on a regulated securities market unless otherwise stated. The percentages in brackets show the equivalent % holdings as at 30.04.23.

*Collective investment schemes permitted under COLL, not listed on any exchange.

Total purchases for the period: £42,850,655
Total sales for the period: £54,792,819

At the period end the Sub-fund did not hold shares in any of the other Sub-funds within the MI Quilter Cheviot Investment Funds.

Net Asset Value and Shares in Issue

Class	Net Asset Value	Shares in issue	Net Asset Value per share p	Operating Charges*
A Income	£176,372,832	184,125,584	95.79	0.12%
A Accumulation	£56,537,382	55,854,931	101.22	0.12%

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

From the 31 October 2023, as a result of changes to guidance, closed-ended funds are not included with the synthetic ongoing charges.

Risk and Reward Profile

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

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

1	2	3	4	5	**6**	7

The Sub-fund is ranked at 6 because funds of this type have experienced high rises and falls in value in the past. Please note that even the lowest risk class can lose you money and that extreme market circumstances can mean you suffer severe losses in all cases. The indicator does not take into account the following risks of investing in this Sub-fund:

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

Risk warning

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

Statement of Total Return

for the period ended 31 October 2023

	31.10.23		31.10.22	
	£	£	£	£
Income				
Net capital losses		(14,202,684)		(15,136,040)
Revenue	4,290,951		3,523,134	
Expenses	(142,506)		(116,208)	
Interest payable and similar charges	–		–	
Net revenue before taxation	4,148,445		3,406,926	
Taxation	–		–	
Net revenue after taxation		4,148,445		3,406,926
Total return before distributions		**(10,054,239)**		**(11,729,114)**
Distributions		(4,148,466)		(3,406,900)
Change in net assets attributable to Shareholders from investment activities		**(14,202,705)**		**(15,136,014)**

Statement of Change in Net Assets Attributable to Shareholders

for the period ended 31 October 2023

	31.10.23		31.10.22	
	£	£	£	£
Opening net assets attributable to Shareholders		**263,751,082**		**175,012,183**
Amounts receivable on issue of shares	47,669,455		55,641,348	
Less: Amounts payable on cancellation of shares	(65,279,300)		(13,919,554)	
		(17,609,845)		41,721,794
Dilution levy		–		49,874
Change in net assets attributable to Shareholders from investment activities (see Statement of Total Return above)		(14,202,705)		(15,136,014)
Retained distributions on accumulation shares		971,682		204,125
Closing net assets attributable to Shareholders		**232,910,214**		**201,851,962**

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

Balance Sheet

as at 31 October 2023

	31.10.23		30.04.23	
	£	£	£	£
ASSETS				
Fixed assets				
Investments		**230,616,154**		**256,756,518**
Current assets				
Debtors	6,600,437		2,697,925	
Cash and bank balances	4,064,006		7,675,673	
Total current assets		**10,664,443**		**10,373,598**
Total assets		**241,280,597**		**267,130,116**
LIABILITIES				
Creditors				
Distribution payable	(1,866,481)		(2,552,604)	
Other creditors	(6,503,902)		(826,430)	
Total creditors		**(8,370,383)**		**(3,379,034)**
Total liabilities		**(8,370,383)**		**(3,379,034)**
Net assets attributable to Shareholders		**232,910,214**		**263,751,082**

Distribution Tables
for the period ended 31 October 2023

Income Share Distributions

Share class	Distribution	Shares	Net revenue p	Equalisation p	Distribution paid/payable 2023 p	Distribution paid 2022 p
A	First interim	Group 1	0.6128	–	0.6128	0.5645
		Group 2	0.2258	0.3870	0.6128	0.5645
	Second interim	Group 1	1.0137	–	1.0137	1.0934
		Group 2	0.2217	0.7920	1.0137	1.0934
B*	First interim	Group 1	0.4266	–	0.4266	n/a
		Group 2	0.4266	–	0.4266	n/a
	Second interim	Group 1	n/a	n/a	n/a	n/a
		Group 2	n/a	n/a	n/a	n/a

Accumulation Share Distributions

Share class	Distribution	Shares	Net revenue p	Equalisation p	Amount reinvested 2023 p	Amount reinvested 2022 p
A	First interim	Group 1	0.6365	–	0.6365	0.5669
		Group 2	0.2738	0.3627	0.6365	0.5669
	Second interim	Group 1	1.0603	–	1.0603	1.1024
		Group 2	0.2003	0.8600	1.0603	1.1024

*Share class launched on 9 May 2023 and was dis-invested on 8 August 2023

First interim period: 01.05.23 - 31.07.23
Second interim period: 01.08.23 - 31.10.23

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

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

General Information

Authorised Status

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

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

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

The Company was incorporated in England and Wales on 10 August 2021 under registration number IC046737. The Shareholders are not liable for the debts of the Company.

The Company currently has 8 Sub-funds, which are detailed below:

MI Quilter Cheviot Alternative Assets Fund
MI Quilter Cheviot Asian and Emerging Markets Equity Fund
MI Quilter Cheviot Conservative Fixed Interest Fund
MI Quilter Cheviot Diversified Returns Fund
MI Quilter Cheviot European Equity Fund
MI Quilter Cheviot Fixed Interest Fund
MI Quilter Cheviot North American Equity Fund
MI Quilter Cheviot UK Equity Fund

Head Office

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

Address for Service

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

Base Currency

The base currency of the Company is Pounds Sterling.

Share Capital

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

Classes of Shares

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

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

	Share Class					
Sub-fund	A Inc GBP	A Inc USD	A Acc GBP	A Acc USD	B Inc GBP	B Acc GBP
MI Quilter Cheviot Alternative Assets Fund	✔		✔		✔*	✔*
MI Quilter Cheviot Asian and Emerging Markets Equity Fund	✔		✔		✔*	✔*
MI Quilter Cheviot Conservative Fixed Interest Fund	✔		✔		✔*	✔*
MI Quilter Cheviot Diversified Returns Fund	✔		✔		✔*	✔*
MI Quilter Cheviot European Equity Fund	✔		✔		✔*	✔*
MI Quilter Cheviot Fixed Interest Fund	✔		✔		✔*	✔*
MI Quilter Cheviot North American Equity Fund	✔	✔*	✔	✔*	✔*	✔
MI Quilter Cheviot UK Equity Fund	✔		✔		✔*	✔*

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

General Information

continued

The Company may issue both Income and Accumulation Shares.

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

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

Valuation Point

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

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

Buying, Redeeming and Switching of Shares

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

Hamilton Centre, Rodney Way, Chelmsford, Essex CM1 3BY
Or by telephone to:
0345 521 1006

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

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

Pricing Basis

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

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

Other Information

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

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

Significant Information

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

Risk Warning

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

Apex Fundrock Limited

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