MI Bespoke Funds ICVC

Value Assessment 2023

Reporting End Period 31st March 2023

Introduction to the ACD Assessment of Value

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

Value Assessment Criteria

AFM Costs

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

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

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

Quality of Service

The range and quality of services provided to shareholders.

Performance

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

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

Economies of Scale

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

Comparable Market Rates

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

by the ACD; or

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

Comparable Services

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

Classes of Shares

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

AFM Costs - Fees & Services Chargeable to the Fund

Fees and Services of the Authorised Corporate Director

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

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

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

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

Fees and Services of the Fund Administrator

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

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

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

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

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

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

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

Fees and Services of the Depositary and Custodian

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

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

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

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

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

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

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

Fees and Services of the Auditor

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

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

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

Fees and Services of the Investment Manager

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

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

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

Fund Performance

Overview of the criteria used to assess Value regarding Fund Performance

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

MI Diversified Strategy Fund

Sub-Fund Overall Value Assessment score 31st March 2023

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

Fair

Sub-Fund Performance 31st March 2023

The Fund Managers have chosen to compare themselves to funds in the Flexible Investment sector. The Flexible Investment sector has a very wide range of funds in it and the majority tend to have a very high allocation to equities. The managers of the MI Diversified Strategy Fund as befits the name of the Fund hold a very broad range of assets and traditionally will have a lower allocation to equities than many other funds in that sector. As a result, the Fund will tend to have a lower return in periods of high equity market returns (this has been the case for the last five years). Although the returns have been lower than many of the funds it has chosen to compare itself to, the volatility of those returns have been lower than the average. Compared to the IA Flexible Investment sector the Fund has outperformed over one year, is in the 3rd quartile over three years and 4th quartile over five years.

1 Year	Good
3 Years	Fair
5 Years	Poor

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

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

Performance Review

For the period since the interim accounts (30th September 2022 to 31st March 2023) the total return of the C share class was 4.76%, compared to 4.16% for the IA Flexible Investment sector average. The total return of the B share class over the six months was 4.71%.

Over the full accounting period (31st March 2022 to 31st March 2023), the total return of the C share class was -4.11%, compared to -4.03% for the IA Flexible Investment sector average. The total return of the B share class over the same period was -4.25%.

The Sub-fund is ranked 70th out of 161 funds available over the six months, 80th out of 159 over the accounting year and 66th out of 96 since launch, placing it in the second, second and third quartiles of its sector over the respective periods.

Source: FE Analytics. Total return. Bid to bid.

Market Review

The six-month period since the interim accounts were published was a positive one for both equities and fixed interest assets, particularly compared to the three months to the end of September 2022. Investors continued to worry about the impact of a recession on corporate earnings, but there were other positives around which caused something of a relief rally in asset prices, including the relaxing of Covid restrictions in China and inflation coming off its peak levels at the end of 2022, particularly in the US.

Within equity markets it was those considered more economically sensitive which posted the strongest performance. European equities, which had previously languished on the back of concerns over the economy, especially due to high energy costs, were the strongest performers, both in local currency and pound sterling terms. The warmer than usual winter meant that energy reserves are now close to historic highs for this time of year, removing supply concerns, and alleviating fears of the impact of higher energy costs and supply on economic activity and corporate profitability.

After a weak October the Chinese stock market rallied strongly to year end as the authorities began to relax Covid restrictions, particularly regarding mobility. Investors embraced this, believing that we could see something of a sharp rally in the equity market, similar to that which was seen in western markets as economies reopened properly. This was further encouraged by the low valuations which the market was trading at relative to its own history.

The return from US equities was strong for the period in local currency terms, but market leadership was very narrow, with BlackRock reporting that 90% of returns in the first quarter of 2023 came from only seven names. Technology stocks were strong leaders here, with investors revisiting them after a weaker period of performance but predominantly on the back of lower bond yields and expectations that the US Federal Reserve would be cutting interest rates before the end of 2023.

In the UK meanwhile we saw the FTSE 250 outperform its large company counterpart, the FTSE 100 over the last three months of 2022, but this trend was reversed in the first three months of 2023. The former contains companies which generate a greater proportion of their earnings from the UK economy.

Movement in currency had a material impact on the return which UK based investors received from overseas equity markets. For example, in local currency terms the S&P 500 posted a total return of 15.32%. In sterling terms however, the return was reduced to 4.11%, with the US dollar weakening from very strong levels. It was here that the main impact was seen.

UK fixed income markets also enjoyed a strong period, in particular corporate credit, but suffered a marked increase in volatility in the first three months of 2023. Yields initially fell at the end of 2022, and this continued in January as markets began to anticipate that inflation was close to peak and that it would soon roll over. Moving into February however, this view started to evaporate, with inflation proving significantly stickier than previously thought. Whilst the overall direction was still expected to be down, investors were starting to feel that it could take longer to reach central bank targets, particularly due to tightness in the labour market.

It was all about turn again in March, however. Whilst views on inflation remained the same, we were reminded that the pace of rate rises which we have seen not only here in the UK but also the US could lead to 'incidents', whereby frailties in the financial system would potentially be uncovered. We had already seen it in September during the Liability Driven Investment issues which rocked the pension and consequently the UK gilt market. This time it was in the respect of the banking system. Silicon Valley Bank and Signature Bank were both lost in the US, with the rest of the regional banking sector coming under pressure. In Switzerland meanwhile we saw UBS take over Credit Suisse, with the latter suffering from a vote of no confidence and a run on its deposit base. All of these banks clearly had idiosyncratic issues, but it was enough to spook investors all the same. Despite central banks being clear that interest rates would only be used to control inflation and that they had other tools to ensure enough liquidity remained in the system, the market took a different view, pricing in a series of interest rate cuts before the year end. Bond yields fell as a consequence.

Portfolio Activity

The portfolio continues to provide a broad range of asset classes and geographical allocations.

In October the remaining holding in the AHFM Defined Returns fund was sold. This was following the decision to replace this holding with direct structured notes, allowing greater control of the shape of the strategies and the underlying indices used.

In November, we reduced the overweight position in fixed interest slightly, taking mainly from funds with a longer duration as it was felt there was better value in shorter dated bonds at that time. The allocation to Jupiter European was also changed, swapping to the LF Lightman European fund instead. With inflation remaining stubbornly high, it was felt that this would favour a value investment style, which is more aligned to the Lightman fund.

January saw the Baillie Gifford Emerging Markets Growth fund being replaced by the Redwheel Next Generation Emerging Markets Equity fund. Although happy with exposure to emerging markets, the Redwheel fund offered access to a broader range of countries outside the more developed emerging market regions but remaining more liquid than the traditional Frontier countries.

The Sub-fund saw net outflows during the period which were funded by reducing existing holdings when needed, allowing the adjustment of allocations at the same time.

Outlook

As it has been for some time now, inflation continues to be the main focus in investment markets. Remaining stubbornly high for an extended period in most developed markets, this has led central banks to sharply raise interest rates over the past year, with more rises still expected, especially in the US and here in the UK. History shows that there is a delay between interest rate rises and the effect it has on inflation, so we expect the Federal Reserve in the US and the Bank of England here in the UK to pause after one or two more increases this year to see what effect their actions so far have had.

We do not believe they will rush to reduce rates, however, despite a shrinking economy, having already made it clear that they see inflation and a lack of economic growth as two separate issues which they will deal with by different methods.

Recent falls caused by the problems in the banking sector shows the nervousness in equity markets at present, but also presented opportunities, with indiscriminate selling providing good valuation opportunities for some companies. This is likely to continue throughout the year, favouring active fund managers, especially those with a value style of investing.

The re-opening of the Chinese economy after their protracted zero Covid policy is also likely to be supportive, especially in emerging market countries, with global supply chain issues easing.

Fixed interest assets have suffered from a capital value perspective over the last year with rapidly rising base rates leading to increasing yields. If central banks are reaching an end to their rate rises as expected, then this should lead to a calmer period for bonds, which will be aided further if inflation does begin to fall as the year progresses. Again though, we feel this will favour those fund managers who can be truly active, but care will need to be taken when managing duration as the yield curve normalises once again.

We believe the Sub-fund is currently well positioned to benefit from the above, especially with the tilt towards value orientated funds, but the economic picture will likely change through the year, especially in terms of inflation and possible recessions in different regions, all of which will need careful monitoring.

MI Diversified Strategy Fund

Fund Information

Key Investor Information

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

MI Diversified Strategy Fund ("The Fund")
Class B Accumulation Shares

This is a sub fund of MI Bespoke Funds ICVC. The Fund is an Open Ended Investment Company.
ISIN: GB00BVVQ7G83.
Apex Fundrock Ltd is the Authorised Corporate Director of the Fund ("MI" and "MI Funds" are trading names of the ACD).

Objectives and investment policy

The objective of the Fund is to achieve long term capital growth.

The Fund intends to meet its objectives through exposure to a combination of equities, fixed interest and structured products. The majority of the Fund's exposure will be to equities. It may also have exposure to property. With the exception of structured products, this exposure will be through investment in OEICs, unit trusts, investment trusts, Exchange Traded Funds and other collective investment schemes across several management groups. It may also invest in equities from the world's major markets, bonds and other transferable securities.

The Fund has no specific limits on exposures to any asset class, geographic area, industry or economic sectors.

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

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

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

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

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

Risk and reward profile

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

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

1	2	3	4	5	6	7

- The Fund is ranked at 5 because funds of this type have experienced medium to high rises and falls in value in the past. Please note that even the lowest risk class can lose you money and that extreme market circumstances can mean you suffer severe losses in all cases. The indicator does not take into account the following risks of investing in this Fund:
- Counterparty risk: The Fund can conclude various transactions with contractual partners. If a contractual partner becomes insolvent, it can no longer or can only partly settle unpaid debts owed to the Fund.
- Market risk: External factors can cause an entire asset class to decline in value which would result in a decrease in the value of investments.
- Currency risk: As the Fund invests in overseas securities, movements in exchange rates, when not hedged, may cause the value of investments to increase or decrease.
- For further risk information please see the prospectus.

MI Diversified Strategy Fund

Fund Information

Charges

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

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

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

Charges taken from the Fund over a year	
Ongoing charges	1.20%

Charges taken from the Fund under specific conditions	
Performance fee	NONE

- The ongoing charges figure is estimated because the share/unit class is relatively new and has insufficient track record for us to calculate it exactly. The ongoing charges figure may vary from year to year and will exclude the costs of buying or selling assets for the Fund (unless these assets are shares of another fund).
- For the ongoing charges, the figure is at 30 September 2023.
- You may also be charged a dilution levy on entry or exit from the Fund, this is to cover costs associated with your transaction.
- For more information about charges, please see the prospectus.

Past performance

There is insufficient data to provide a useful indication of past performance to investors.

- Fund launch date: 06/05/2015.
- The share/unit class has not yet been launched.

Practical information

- This document is issued by Apex Fundrock Ltd and contains information on the Class B Accumulation Shares only ("MI" and "MI Funds" are trading names of the ACD).
- Each fund of the Company has its own pool of assets and liabilities, segregated by law. If one fund were unable to pay for its liabilities the assets of the other funds could not be used to pay for those liabilities.
- You can get further detailed information regarding the Fund, including details of the investment manager and how to switch, buy and sell shares and other share classes available, within the prospectus, the supplementary information document and the annual and half yearly managers' reports. You can get these free of charge from Apex Fundrock Ltd, Hamilton Centre, Rodney Way, Chelmsford, Essex CM1 3BY or from our website: www.fundrock.com. These are available in English only. You can also call us on 0345 026 4281, or look on our website for the latest share prices.
- Details of the ACD's remuneration policy (including a description of how remuneration and benefits are calculated, the composition of the remuneration committee and the identities of persons responsible for awarding remuneration and benefits) are available at www.fundrock.com/mi-fund-data or by requesting a paper copy free of charge (see above for contact details).
- The Depositary of the Fund is Northern Trust Investor Services Limited.
- Please note that the tax laws of the United Kingdom may impact your own tax position.
- Apex Fundrock Ltd may be held liable solely on the basis of any statement contained in this document that is misleading, inaccurate or inconsistent with the relevant parts of the prospectus for the Fund.