



# MI Charles Stanley Investment Funds II

Interim Report 31 July 2024

# MI Charles Stanley Investment Funds II

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## Directory

### Authorised Corporate Director ('ACD') & Registrar

Apex Fundrock Limited  
Hamilton Centre, Rodney Way, Chelmsford, Essex CM1 3BY  
Telephone: 01245 398950  
Fax: 01245 398951  
Website: [www.fundrock.com](http://www.fundrock.com)  
(Authorised and regulated by the Financial Conduct Authority)

### Customer Service Centre

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

### Directors of the Authorised Corporate Director

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

### Investment Manager

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

### Depositary

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

### Independent Auditors

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

# MI Charles Stanley Investment Funds II

## 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 2017.

The interim financial statements have been prepared on the same basis as the audited financial statements for the year ended 31 January 2024.

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 for Financial Statements of UK Authorised Funds issued by the IA.



**P.J. Foley-Brickley**

**S.J. Gunson**

**L.A. Poynter**

Directors

Apex Fundrock Limited

26 September 2024

## Investment Objective and Policy

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

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

## Investment Manager’s Report

for the period ended 31 July 2024

### General Market Commentary & Outlook

Equity markets finished July 2024 with a flourish, as a rally in the S&P 500, Dow Jones Industrial Average and the FTSE 100 meant these indices closed the month with gains. This followed a period of volatility in mega-cap technology shares, with the Nasdaq Composite ending July slightly lower.

Concerns about the high market valuations in the technology sector have been around for some time, but nervousness increased as the second-quarter earnings season approached. Reports from Google owner Alphabet and electric vehicle maker Tesla disappointed investors and helped spark a wider sector sell off.

The mega-cap technology stocks, known as the ‘Magnificent 7’, have been major drivers of equity market gains, but they encountered significant volatility as investors rotated money into small-cap stocks. This move came amid expectations that these businesses will benefit the most from rate cuts by the Federal Reserve (‘Fed’). The Russell 2000 small-cap index outperformed significantly.

The second-quarter earnings season continues, with emerging trends reflecting those seen in the first three months of 2024. Investors are focusing on financial guidance for the coming quarters, concerned about the impact of a slowing economy on profitability. Any company issuing weak guidance has usually seen a sharp fall in its share price.

Inflation is now in retreat on both sides of the Atlantic. At the start of August 2024, the Bank of England (‘BoE’) surprised markets as it cut interest rates for the first time in more than four years. BoE governor Andrew Bailey warned that the move would not herald a rapid succession of further cuts. The action followed a rate cut by the European Central Bank in June 2024. However, it warned that future reductions would depend on a further easing of price pressures.

At the end of July 2024, Fed Chair Jerome Powell appeared to signal that the door was still open for a September interest rate cut in the US. Mr Powell reiterated that the decision will be based on data, but traders are overwhelmingly pricing in a September reduction in the cost of borrowing.

The FTSE 100 was approaching its all-time high in the final week of July 2024 after an upbeat month for UK equities. The prospect of falling UK interest rates and the UK’s brightening economic prospects helped boost market sentiment. The overwhelming victory of the Labour Party in the general election was expected by markets and sparked hopes that the political cohesion granted by a large majority in parliament will mean a period of political predictability and stability.

The rebound in Chinese equities seen earlier this year has faded. The country’s economy is recovering from the COVID-19 pandemic slowly and there are still problems in its property sector. Its equities have remained relatively out of favour for investors, both domestic and foreign.

Joe Biden withdrew from the US presidential election, which takes place in November, and current Vice President Kamala Harris looks certain to officially secure the Democrat Party nomination in early August. This followed Mr Biden’s poorly received performance in the first 2024 presidential debate against Donald Trump.

France’s President Emmanuel Macron made a risky decision to hold an election after the success of populist parties in the European elections. The gamble backfired and the far-right National Rally party won a resounding victory in the first round of the country’s snap parliamentary elections. A new Prime Minister will not be named until after the Paris Olympics.

The conflicts in the Middle East continue to be unresolved. Israeli airstrikes killed the Hamas political leader Ismail Haniyeh in Tehran and a top Hezbollah commander in Beirut in the space of 12 hours. The assassinations scotched hopes of an imminent Gaza ceasefire.

The US is expected to engineer a soft economic landing as inflation is brought down to the Fed’s target level, although interest rates are likely to be kept “higher for longer” to curb inflation in both the US and UK.

# MI Charles Stanley Equity Fund

## Investment Manager's Report

continued

### Investment Review

The Sub-fund posted a +10.4% total return over the last six months compared to +12.3% total return for the Morningstar UK index and +11.6% total return for the IA UK All Companies peer group.

(Source: Financial Express Analytics, NAV to NAV B Shares Accumulation Total return).

Fairly narrow performance differentials, and large absolute returns, hide a rather choppy period in UK equities. We saw bouts of strength in the legacy Oil & Gas & Financials heavyweights of the UK market, and a rally in quality alongside some sharp corrections through the period. Substantial stock dispersion was also present with a number of bids received for positions we held.

Three bids were received for Keywords Studios, DS Smith and Spirent Communications. These bids resulted in total returns on the positions over the period of +73%, +48% and +46%. We took the decision to exit all of these positions prior to the takeovers completing, partly to de-risk the positions should the bids fall through and partly to avoid being left with shares of the acquiring company where the deal was not on a cash only basis. It is symptomatic of the low valuations currently present in the UK equity market relative to other global equity regions that we are seeing a heightened level of merger and acquisition activity that is likely to continue. Some of these are opportunistic, with good companies being snapped up at relatively low prices, while others such as DS Smith are seeing the industry consolidate into ever larger and dominant leaders.

At the other end of the portfolio, we saw weak performance from YouGov, Reckitt Benckiser and Croda International, posting negative returns of 60%, 24% and 15% respectively. YouGov was the real disappointment for us within this cohort, shocking the market with updated guidance. We have been long-time holders of these shares and have been surprised by quite how misjudged expectations have been shown to be, though concede that they have faced competitive challenges in recent years after a strong period of being a disruptive growth stock themselves amongst large incumbents. Having engaged with management we are currently holding our current position, though have not looked to top it up until we get a greater level of confidence in a turnaround. Reckitt Benckiser on the other hand we have topped up recently, with a lot of negativity priced into the shares surrounding litigation and potential business line disposal. We recognise the execution risks but believe this is now sufficiently priced into the shares and the core business remains attractive.

A lot of our trading through the period was in order to maintain our targeted exposures and position sizes through a volatile period, top slicing holdings in order to top-up underweight positions or manage the cash balance a number of times. Stocks such as Rentokil Initial, Croda International and Reckitt Benckiser were added to over the period. We also sold the three positions subject to bids mentioned earlier.

In terms of new positions, we substituted The Renewable Infrastructure Group ('TRIG') for Greencoat UK Wind ('UKW') as our preferred play within the renewable generation segment. TRIG broadens the underlying generation assets from wind to include solar too, and a small amount of battery storage. We had seen the discount to NAV close more in UKW than in TRIG, offering us the opportunity to broaden the exposure as well as pick up the potential for further discount closing over time.

We also re-introduced BAE Systems to the portfolio, following an exit from this longstanding position a couple of years ago. We sold the business after locking in short term gains back in 2022 and have been proven wrong on this one as conflicts have escalated and countries looked to rebuild their own defences. Following a pullback in the shares we took the opportunity to re-introduce the position to the portfolio and have continued to build into it since. The orderbook remains very well underpinned and whilst government budgets are stretched, defence is currently one area that few are looking to cut back substantially given the threats around the world.

We underperformed the peers and benchmark modestly over the last six months, though when that timeline is extended to 12 months, we see strong outperformance with the Sub-fund up 18.5% against the IA UK All Companies up 13.8% and the Morningstar UK Index up 13.6%. The largest detractor against the Morningstar index over the last 6 months was having no exposure to the Oil & Gas sector or Banks, which cost us 1.7% and 1.0% of relative performance respectively. With interest rates having peaked, and likely to fall in the coming months and years, we see the portfolio as well positioned to benefit from this evolving landscape.

## Portfolio Statement

as at 31 July 2024

Holding	Security	Market value £	% of total net assets 2024
	<b>TECHNOLOGY 11.59% (10.73%)</b>		
	<b>Software and Computer Services 9.08% (7.71%)</b>		
81,394	Auto Trader	663,687	4.45
77,390	GB Group*	269,162	1.80
213,043	Team Internet*	421,825	2.83
		<hr/>	
		1,354,674	9.08
	<b>Technology Hardware and Equipment 2.51% (3.02%)</b>		
55,172	discoverIE	373,515	2.51
	<b>TELECOMMUNICATIONS 0.00% (1.11%)</b>		
	<b>HEALTH CARE 11.53% (10.38%)</b>		
	<b>Pharmaceuticals and Biotechnology 11.53% (10.38%)</b>		
8,258	AstraZeneca	1,020,854	6.85
46,167	GSK	697,814	4.68
		<hr/>	
		1,718,668	11.53
	<b>FINANCIALS 24.07% (21.62%)</b>		
	<b>Finance and Credit Services 5.07% (4.31%)</b>		
7,975	London Stock Exchange	755,233	5.07
	<b>Investment Banking and Brokerage Services 10.01% (8.85%)</b>		
23,483	3i	734,548	4.93
34,492	Intermediate Capital	756,754	5.08
		<hr/>	
		1,491,302	10.01
	<b>Closed End Investments 8.99% (8.46%)</b>		
213,216	Allianz Technology	786,767	5.28
106,869	Greencoat UK Wind	155,601	1.04
382,832	The Renewables Infrastructure	397,380	2.67
		<hr/>	
		1,339,748	8.99
	<b>REAL ESTATE 3.58% (3.39%)</b>		
	<b>Real Estate Investment Trusts 3.58% (3.39%)</b>		
58,315	Segro	534,049	3.58
	<b>CONSUMER DISCRETIONARY 14.17% (16.00%)</b>		
	<b>Household Goods and Home Construction 3.45% (3.44%)</b>		
322,309	Taylor Wimpey	513,599	3.45
	<b>Leisure Goods 2.20% (2.20%)</b>		
3,182	Games Workshop	327,746	2.20
	<b>Media 8.52% (10.36%)</b>		
43,507	Next Fifteen Communications*	371,115	2.49
19,032	RELX	698,474	4.69
43,236	YouGov*	199,750	1.34
		<hr/>	
		1,269,339	8.52

# MI Charles Stanley Equity Fund

## Portfolio Statement

continued

Holding	Security	Market value £	% of total net assets 2024
<b>CONSUMER STAPLES 6.75% (8.83%)</b>			
<b>Personal Care, Drug and Grocery Stores 6.75% (8.83%)</b>			
3,876	Reckitt Benckiser	161,901	1.09
17,660	Unilever	843,265	5.66
		1,005,166	6.75
<b>INDUSTRIALS 21.99% (21.83%)</b>			
<b>Construction and Materials 2.84% (2.87%)</b>			
83,273	Genuit	423,860	2.84
<b>Aerospace and Defense 1.51% (0.00%)</b>			
17,317	BAE Systems	224,515	1.51
<b>Electronic and Electrical Equipment 4.77% (4.26%)</b>			
26,702	Halma	710,273	4.77
<b>General Industrials 0.00% (2.72%)</b>			
<b>Industrial Support Services 12.87% (11.98%)</b>			
211,599	Boku*	359,718	2.41
19,157	Experian	702,870	4.71
247,716	FRP Advisory*	322,031	2.16
112,870	Rentokil Initial	535,794	3.59
		1,920,413	12.87
<b>BASIC MATERIALS 5.41% (5.26%)</b>			
<b>Industrial Metals and Mining 3.08% (2.98%)</b>			
9,153	Rio Tinto	459,938	3.08
<b>Chemicals 2.33% (2.28%)</b>			
8,600	Croda International	347,526	2.33
		14,769,564	99.09
<b>Investment assets</b>			
<b>Net other assets</b>		<b>135,547</b>	<b>0.91</b>
<b>Net assets</b>		<b>14,905,111</b>	<b>100.00</b>

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

\*Quoted on AIM.

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

Total purchases for the period: £1,512,235

Total sales for the period: £2,351,016



## Net Asset Value and Shares in Issue

Class	Net Asset Value	Shares in issue	Net Asset Value per share p	Operating Charge Figure*
A Income	£3,666,476	1,559,796	235.06	0.20%
A Accumulation	£4,553,707	1,341,470	339.46	0.20%
B Income	£508,054	316,600	160.47	0.95%
B Accumulation	£6,176,874	3,027,577	204.02	0.95%

\*The Investment Manager currently rebates the Sub-fund's operating charges, excluding the Investment Manager's fee, in order for them not to exceed 0.20% of the Net Asset Values of the Sub-fund.

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

## Risk and Reward Profile

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



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

- Bond values are affected by changes in interest rates, inflation and any decline in creditworthiness of the bond issuer. Bonds that produce a higher level of income usually also carry greater risk as such bond issuers may not be able to pay the bond income as promised or could fail to repay the capital amount used to purchase the bond.
- For funds investing globally, currency exchange rate fluctuations may have a positive or negative impact on the value of your investment.
- The Sub-fund invests into other funds which themselves invest in assets such as bonds, company shares, cash and currencies. The objectives and risk profiles of these underlying funds may not be fully in line with those of this Sub-fund.
- In difficult market conditions, the value of some investments may be less predictable than normal and the Sub-fund may not be able to buy and sell these investments at the best time or at a fair price. This could affect the Sub-fund's performance, potentially reducing your returns.
- For further risk information please see the Prospectus.

### Risk Warning

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

# MI Charles Stanley Equity Fund

## Statement of Total Return

for the period ended 31 July 2024

	31.07.24		31.07.23	
	£	£	£	£
Income				
Net capital gains		1,414,633		33,098
Revenue	199,318		232,821	
Expenses	(36,819)		(37,252)	
Net revenue before taxation	162,499		195,569	
Taxation	-		-	
Net revenue after taxation		162,499		195,569
<b>Total return before distributions</b>		<b>1,577,132</b>		<b>228,667</b>
Distributions		(161,585)		(194,545)
<b>Change in net assets attributable to Shareholders from investment activities</b>		<b>1,415,547</b>		<b>34,122</b>

## Statement of Change in Net Assets Attributable to Shareholders

for the period ended 31 July 2024

	31.07.24		31.07.23	
	£	£	£	£
<b>Opening net assets attributable to Shareholders</b>		<b>14,313,230</b>		<b>16,916,787</b>
Amounts receivable on issue of shares	1,184,810		785,740	
Less: Amounts payable on cancellation of shares	(2,114,415)		(3,270,182)	
		(929,605)		(2,484,442)
Change in net assets attributable to Shareholders from investment activities (see Statement of Total Return above)		1,415,547		34,122
Retained distributions on accumulation shares		105,939		119,216
<b>Closing net assets attributable to Shareholders</b>		<b>14,905,111</b>		<b>14,585,683</b>

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 July 2024

	31.07.24		31.01.24	
	£	£	£	£
<b>ASSETS</b>				
<b>Fixed Assets</b>				
Investments		14,769,564		14,191,523
<b>Current Assets</b>				
Debtors	54,166		39,790	
Cash and bank balances	158,187		166,819	
<b>Total current assets</b>		<b>212,353</b>		<b>206,609</b>
<b>Total assets</b>		<b>14,981,917</b>		<b>14,398,132</b>
<b>LIABILITIES</b>				
<b>Creditors</b>				
Distribution payable	(48,007)		(46,526)	
Other creditors	(28,799)		(38,376)	
<b>Total creditors</b>		<b>(76,806)</b>		<b>(84,902)</b>
<b>Total liabilities</b>		<b>(76,806)</b>		<b>(84,902)</b>
<b>Net assets attributable to Shareholders</b>		<b>14,905,111</b>		<b>14,313,230</b>

# MI Charles Stanley Equity Fund

## Distribution Tables

for the period ended 31 July 2024

### Income Share Distributions

Share class	Distribution	Shares	Net revenue p	Equalisation p	Distribution paid/payable 2024 p	Distribution paid 2023 p
A	Interim	Group 1	2.8005	–	2.8005	2.7429
		Group 2	1.6293	1.1712	2.8005	2.7429
B	Interim	Group 1	1.3661	–	1.3661	1.3648
		Group 2	0.3670	0.9991	1.3661	1.3648

### Accumulation Share Distributions

Share class	Distribution	Shares	Net revenue p	Equalisation p	Amount reinvested 2024 p	Amount reinvested 2023 p
A	Interim	Group 1	3.9928	–	3.9928	3.8030
		Group 2	2.0099	1.9829	3.9928	3.8030
B	Interim	Group 1	1.7300	–	1.7300	1.6887
		Group 2	0.5547	1.1753	1.7300	1.6887

Interim period: 01.02.24 - 31.07.24

Group 1: Shares purchased prior to a distribution period

Group 2: Shares purchased during a distribution period

### Equalisation

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

## Investment Objective and Policy

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

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

## Investment Manager’s Report

for the period ended 31 July 2024

### General Market Commentary & Outlook

Equity markets finished July with a flourish, as a rally in the S&P 500, Dow Jones Industrial Average and the FTSE 100 meant these indices closed the month with gains. This followed a period of volatility in mega-cap technology shares, with the Nasdaq Composite ending July slightly lower.

Concerns about the high market valuations in the technology sector have been around for some time, but nervousness increased as the second-quarter earnings season approached. Reports from Google-owner Alphabet and electric-vehicle-maker Tesla disappointed investors and helped spark a wider sector sell-off.

The mega-cap technology stocks – known as the ‘Magnificent 7’ – have been major drivers of equity market gains, but they encountered significant volatility as investors rotated money into small-cap stocks. This move came amid expectations that these businesses will benefit the most from rate cuts by the Federal Reserve (‘Fed’). The Russell 2000 small-cap index outperformed significantly.

The second-quarter earnings season continues, with emerging trends reflecting those seen in the first three months of 2024. Investors are focusing on financial guidance for the coming quarters, concerned about the impact of a slowing economy on profitability. Any company issuing weak guidance has usually seen a sharp fall in its share price.

Inflation is now in retreat on both sides of the Atlantic. At the start of August, the Bank of England (‘BoE’) surprised markets as it cut interest rates for the first time in more than four years. BoE governor Andrew Bailey warned that the move would not herald a rapid succession of further cuts. The action followed a rate cut by the European Central Bank in June. However, it warned that future reductions would depend on a further easing of price pressures.

At the end of July, Fed Chair Jerome Powell appeared to signal that the door was still open for a September interest rate cut in the US. Mr Powell reiterated that the decision will be based on data, but traders are overwhelmingly pricing in a September reduction in the cost of borrowing.

The FTSE 100 was approaching its all-time high in the final week of July after an upbeat month for UK equities. The prospect of falling UK interest rates – and the UK’s brightening economic prospects – helped boost market sentiment. The overwhelming victory of the Labour Party in the general election was expected by markets and sparked hopes that the political cohesion granted by a large majority in parliament will mean a period of political predictability and stability.

The rebound in Chinese equities seen earlier this year has faded. The country’s economy is recovering from the COVID-19 pandemic slowly and there are still problems in its property sector. Its equities have remained relatively out of favour for investors – both domestic and foreign.

Joe Biden withdrew from the US presidential election, which takes place in November, and current Vice President Kamala Harris looks certain to officially secure the Democrat Party nomination in early August. This followed Mr Biden’s poorly received performance in the first 2024 presidential debate against Donald Trump.

France’s President Emmanuel Macron made a risky decision to hold an election after the success of populist parties in the European elections. The gamble backfired and the far-right National Rally party won a resounding victory in the first round of the country’s snap parliamentary elections. A new Prime Minister will not be named until after the Paris Olympics.

The conflicts in the Middle East continue to be unresolved. Israeli airstrikes killed the Hamas political leader Ismail Haniyeh in Tehran and a top Hezbollah commander in Beirut in the space of 12 hours. The assassinations scotched hopes of an imminent Gaza ceasefire.

The US is expected to engineer a soft economic landing as inflation is brought down to the Fed’s target level – although interest rates are likely to be kept “higher for longer” to curb inflation in both the US and UK.

# MI Charles Stanley Monthly High Income Fund

## Investment Manager's Report

continued

### Investment Review

For the half year ending 31 July 2024 the Sub-fund delivered a +5.7% total return against +3.7% for the IA Mixed Investment 0-35% peer group.

(Source: Financial Express Analytics, C Income shares, as of 31 July 2024, pounds sterling, net income re-invested).

It was a strong period for the Sub-fund in both absolute and relative terms with all asset classes contributing positively. At a headline level, we saw our Fixed Income, Equity and Alternatives allocations up 4.5%, 12.2% and 4.9% respectively on a total return basis. With the prospect of interest rate cuts on the horizon, we saw both our corporate bond and sovereign bond allocations turning the corner and beginning to deliver capital appreciation alongside the running yield. At the end of the period, our average Investment Grade Bond is priced at 96.5% and our average High Yield Bond at 89.9% of their par value – showing that while we have recovered a substantial amount of their capital value they remain at substantial discounts.

Our best performing investments were DS Smith, Vistry and Tritax EuroBox which posted 48.3%, 37.7% and 34.7% total returns respectively. Two of these were targets of bids during period with International Paper making a firm offer to acquire DS Smith and Brookfield Asset Management indicating they may make an offer for Tritax EuroBox. We took the decision to exit the position in DS Smith once the bid was priced in and chances of a counter proposal became slim. We continue to hold Tritax EuroBox with a deferred deadline for a firm offer by 26 August 2024. With UK domiciled equities trading at relatively cheap valuations compared to a lot of their international peers, we have seen increased corporate activity and anticipate further bids to come through the market in the coming years.

The largest detractors from performance came from Regional REIT, Rio Tinto and Supermarket Income REIT with -11.8%, -4.9% and -4.4% total returns. Regional REIT has been working their way out of a difficult position with the stresses faced by the regional office property market. We owned both the equity and debt from Regional REIT and took the decision to sell the equity prior to the well flagged equity raise coming through. We then saw this equity raise used to refinance the corporate bond that we owned, receiving 100% of our principal back. Rio Tinto shares have been stuck in a range in recent years and have currently pulled back partly on weak commodity prices. We continue to be happy with their operational performance and they maintain their rebased dividend yield around 7%.

In addition to the sales noted above we also exited our holding within GCP Asset Backed Income. Following a continuation vote that elected for the discontinuation of the trust, a schedule to wind up the vehicle was put in place. We elected to sell the position early rather than hold it through this process as it would likely become illiquid over time. Other sales include the disposal of National Grid's nil paid rights as they looked to raise equity capital and modest trims of existing positions for cash flow management purposes.

We bought a number of new bonds during the period looking to reinvest maturing positions. We introduced holdings in Segro 2.375% 11.10.29, McDonalds 2.95% 15.03.34 and Unite 3.5% 15.10.28 corporate bonds. All these bonds were purchased at discounts to par, offering an attractive balance of capital upside and income distributions over the coming years. We also looked to rebuild our UK Government Bond allocation, buying a number of bonds in the 8–12-year maturity band, which is used for both liquidity management and its defensive characteristics during times of stress. These purchases were made with yields around the 4% level which we see as attractive over the medium term.

Overall, we are pleased with the returns that the Sub-fund has generated and continue to see attractive opportunities for investment where we have cash to deploy. With the first cut from the Bank of England having been executed after the period end, we anticipate a slow reduction from current levels over the coming year which will be favourable for a number of our allocations. The Sub-fund remains one of the highest yielding within its IA sector, with a current distribution yield of 5%\*, but we look to strike a balance of capital preservation/appreciation alongside this distribution yield in the current environment rather than trying to increase this yield further. (\*Source: Apex, 31 July 2024, C Income shares).

# MI Charles Stanley Monthly High Income Fund

## Portfolio Statement

as at 31 July 2024

Holding	Security	Market value £	% of total net assets 2024
<b>Pound Sterling Denominated Corporate Debt Securities 61.34% (63.62%)</b>			
£650,000	3i 3.75% 05.06.40	514,703	1.15
£400,000	ABN AMRO 5.1250% 22.02.28	404,828	0.90
£800,000	Abrdn 5.25% Variable Perpetual	684,440	1.52
£600,000	Anheuser Busch Inbev 2.25% 24.05.29	551,808	1.23
£300,000	Barclays 3.25% 12.02.27	286,923	0.64
£600,000	BAT International Finance 4% 04.09.26	587,898	1.31
£450,000	BAT International Finance 6% 24.11.34	466,659	1.04
£300,000	BP Capital Markets 4.25% 22.03.27	288,018	0.64
£700,000	Brit Insurance 6.625% Variable 09.12.30	558,733	1.24
£344,600	Bruntwood Investments 6% 25.02.25	338,955	0.75
£800,000	Bupa Finance 4% Variable Perpetual	585,592	1.30
£500,000	Bupa Finance 5% 08.12.26	496,890	1.11
£600,000	Citigroup 4.5% 03.03.31	568,374	1.27
£500,000	Daily Mail & General 6.375% 21.06.27	477,340	1.06
£200,000	Direct line Insurance 4% 05.06.32	168,502	0.38
£500,000	Direct Line Insurance 4.75% Variable Perpetual	425,380	0.95
£700,000	Electricite De France 6% Variable Perpetual	688,359	1.53
£700,000	Electricite De France Variable Perpetual	671,482	1.49
£300,000	European Investment Bank 3.875% 12.04.28	298,488	0.66
£200,000	European Investment Bank 5.5% 15.04.25	200,866	0.45
£300,000	Experian Finance 3.25% 07.04.32	273,624	0.61
£600,000	Heathrow Finance 5.75% 03.03.25	595,758	1.33
£500,000	Hiscox 6.125% Variable 24.11.45	498,865	1.11
£500,000	HJ Heinz Finance UK 6.25% 18.02.30	526,105	1.17
£600,000	Iceland Bondco 4.375% 15.05.28	516,054	1.15
£600,000	IG Group Holdings 3.125% 18.11.28	529,368	1.18
£650,000	Imperial Brands Finance 4.875% 07.06.32	621,602	1.38
£300,000	Investec 9.125% 06.03.33	322,734	0.72
£400,000	Jupiter Fund Management 8.875% Variable 27.07.30	400,776	0.89
£600,000	Leeds Building Society 3.75% 25.04.29	561,378	1.25
£600,000	Legal & General 5.375% 27.10.45	596,256	1.33
£500,000	Legal & General Variable 14.11.48	493,845	1.10
£300,000	Lloyds Banking 6.625% 02.06.33	308,043	0.69
£454,000	London Victoria Friendly Society 6.5% 22.05.43	458,031	1.02
£300,000	McDonalds 2.95% 15.03.34	257,547	0.57
£600,000	M&G Variable 20.07.55	555,534	1.24
£400,000	National Grid Gas 7% 16.12.24	400,980	0.89
£500,000	National Westminster 3.622% Variable 14.08.30	491,235	1.09
£200,000	Nationwide Building Society 5.75% Variable Perpetual	190,062	0.42
£550,000	Nationwide Building Society 5.769% Variable Perpetual	537,383	1.20
£200,000	Nationwide Building Society Variable Perpetual	198,798	0.44
£500,000	NGG Finance 5.625% 18.06.73	497,655	1.11
£500,000	Pension Insurance 5.625% 20.09.30	486,720	1.08
£500,000	Pension Insurance 7.375% Variable Perpetual	488,825	1.09
£700,000	Pinewood Finance 3.625% 15.11.27	652,435	1.45
£300,000	Quilter 8.625% 18.04.33	316,833	0.71
£500,000	Reassure 5.867% 13.06.29	497,025	1.11
£600,000	Regional REIT 4.5% 06.08.24	597,024	1.33
£800,000	RL Finance No.4 4.875% Variable 07.10.49	663,912	1.48
£600,000	Rothesay Life Variable 17.09.29	599,154	1.33
£400,000	Sainsbury's Bank 10.5% 12.03.33	451,500	1.01
£300,000	Segro 2.375% 11.10.29	267,618	0.60

# MI Charles Stanley Monthly High Income Fund

## Portfolio Statement

continued

Holding	Security	Market value £	% of total net assets 2024
<b>Pound Sterling Denominated Corporate Debt Securities (continued)</b>			
£500,000	Society of Lloyds 4.875% Variable 07.02.47	489,250	1.09
£700,000	The Berkeley Group 2.5% 11.08.31	556,031	1.24
£300,000	The Goldman Sachs Group 3.625% 29.10.29	286,110	0.64
£500,000	TP ICAP Finance 7.875% 17.04.30	541,120	1.20
£300,000	Unite 3.5% 15.10.28	283,689	0.63
£700,000	VMED O2 UK Finance 4.5% 15.07.31	589,414	1.31
£700,000	Vodafone Variable 03.10.78	689,192	1.53
		<b>27,551,723</b>	<b>61.34</b>
<b>Pound Sterling Denominated Government Debt Securities 4.01% (0.71%)</b>			
£400,000	UK Treasury 3.25% 31.01.33	380,908	0.85
£200,000	UK Treasury 3.75% 07.03.27	198,136	0.44
£300,000	UK Treasury 4% 22.10.31	302,265	0.67
£200,000	UK Treasury 4.125% 29.01.27	200,064	0.45
£400,000	UK Treasury 4.25% 31.07.34	408,076	0.91
£310,000	UK Treasury 5% 07.03.25	310,608	0.69
		<b>1,800,057</b>	<b>4.01</b>
<b>Preference Shares 3.57% (4.44%)</b>			
300,000	Bristol Water 8.75% ccrp	393,000	0.87
371,783	Ecclesiastical Insurance 8.625% ncip	479,600	1.07
382,000	Northern Electric 8.061% cip	458,400	1.02
250,000	Standard Chartered 7.375% ncip	276,250	0.61
		<b>1,607,250</b>	<b>3.57</b>
<b>UK Equities 13.38% (13.09%)</b>			
40,503	BAE Systems	525,121	1.17
72,805	BP	333,957	0.74
20,480	GSK	309,555	0.69
26,313	Intermediate Capital	577,307	1.29
182,700	Legal & General	423,316	0.94
33,850	National Grid	333,761	0.74
70,966	Phoenix	386,765	0.86
6,861	Rio Tinto	344,765	0.77
23,600	SSE	443,680	0.99
282,859	Taylor Wimpey	450,736	1.00
913,000	Tritax EuroBox	611,710	1.36
11,100	Unilever	530,025	1.18
36,350	Vistry	503,084	1.12
330,000	Vodafone	239,052	0.53
		<b>6,012,834</b>	<b>13.38</b>
<b>Investment Funds 14.41% (15.93%)</b>			
18,450	3i	577,116	1.28
681,251	Foresight Solar	613,807	1.37
485,984	Greencoat UK Wind	707,593	1.58
462,000	HICL Infrastructure	586,740	1.31
609,865	Impact Healthcare REIT	534,242	1.19
427,000	International Public Partnerships	557,662	1.24
1,279,754	Schroder Asian Income - L Income GBP*	989,762	2.20
1,130,500	Sequoia Economic Infrastructure Income	929,271	2.07



## Portfolio Statement

continued

Holding	Security	Market value £	% of total net assets 2024
<b>Investment Funds (continued)</b>			
609,000	Supermarket Income REIT	453,096	1.01
502,983	The Renewables Infrastructure	522,096	1.16
		6,471,385	14.41
<b>Investment assets</b>		<b>43,443,249</b>	<b>96.71</b>
<b>Net other assets</b>		<b>1,476,792</b>	<b>3.29</b>
<b>Net assets</b>		<b>44,920,041</b>	<b>100.00</b>

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

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

### Glossary

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

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

Total purchases for the period: £1,238,800

Total sales for the period: £2,318,182

	Market value £	% of total net assets 2024	% of total net assets 2023
<b>Analysis of bonds by credit rating<sup>^</sup></b>			
Investment grade (BBB- and above)	20,519,278	45.69	41.06
Non-Investment grade (BB+ and below)	5,160,319	11.49	13.11
Unrated bonds	3,672,183	8.17	10.16
		29,351,780	65.35
			64.33

<sup>^</sup>Source: NTISL

# MI Charles Stanley Monthly High Income Fund

## Net Asset Value and Shares in Issue

Class	Net Asset Value	Shares in issue	Net Asset Value per share p	Operating Charge Figure*
A Income	£2,257,278	2,688,801	83.95	1.10%
A Accumulation	£179,722	94,285	190.61	1.10%
B Income	£22,347	21,297	104.93	0.10%^
C Income	£35,882,936	41,046,600	87.42	0.85%
C Accumulation	£6,577,758	4,616,709	142.48	0.85%

\*The Investment Manager currently rebates the Sub-fund's operating charges, excluding the Investment Manager's fee and synthetic ongoing charges (0.02% of operating charges) in order for them not to exceed 0.08% of the Net Asset Values of the Sub-fund.

^From 01 July 2024 the Investment Manager's fee was reduced from 0.5% to 0%.

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

## Risk and Reward Profile

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



The Sub-fund is ranked at 4 because funds of this type have experienced average rises and falls in value in the past. Please note that even the lowest risk class can lose you money and that extreme market circumstances can mean you suffer severe losses in all cases. The indicator does not take into account the following risks of investing in this Sub-fund:

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

### Risk Warning

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

# MI Charles Stanley Monthly High Income Fund

## Statement of Total Return

for the period ended 31 July 2024

	31.07.24		31.07.23	
	£	£	£	£
Income				
Net capital gains/(losses)		1,470,042		(2,227,850)
Revenue	1,224,973		1,290,227	
Expenses	(187,004)		(198,550)	
Interest payable and similar charges	(52)		–	
Net revenue before taxation	1,037,917		1,091,677	
Taxation	(8,834)		(12,069)	
Net revenue after taxation		1,029,083		1,079,608
<b>Total return before distributions</b>		<b>2,499,125</b>		<b>(1,148,242)</b>
Distributions		(940,196)		(1,034,832)
<b>Change in net assets attributable to Shareholders from investment activities</b>		<b>1,558,929</b>		<b>(2,183,074)</b>

## Statement of Change in Net Assets Attributable to Shareholders

for the period ended 31 July 2024

	31.07.24		31.07.23	
	£	£	£	£
<b>Opening net assets attributable to Shareholders</b>		<b>44,077,593</b>		<b>48,500,173</b>
Amounts receivable on issue of shares	3,300,256		5,400,527	
Less: Amounts payable on cancellation of shares	(4,155,597)		(5,853,378)	
		(855,341)		(452,851)
Change in net assets attributable to Shareholders from investment activities (see Statement of Total Return above)		1,558,929		(2,183,074)
Retained distributions on accumulation shares		138,860		136,604
<b>Closing net assets attributable to Shareholders</b>		<b>44,920,041</b>		<b>46,000,852</b>

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.

# MI Charles Stanley Monthly High Income Fund

## Balance Sheet

as at 31 July 2024

	31.07.24		31.01.24	
	£	£	£	£
<b>ASSETS</b>				
<b>Fixed Assets</b>				
Investments		43,443,249		43,102,598
<b>Current Assets</b>				
Debtors	769,069		693,212	
Cash and bank balances	928,552		863,994	
<b>Total current assets</b>		<b>1,697,621</b>		<b>1,557,206</b>
<b>Total assets</b>		<b>45,140,870</b>		<b>44,659,804</b>
<b>LIABILITIES</b>				
<b>Creditors</b>				
Distribution payable	(130,965)		(494,938)	
Other creditors	(89,864)		(87,273)	
<b>Total creditors</b>		<b>(220,829)</b>		<b>(582,211)</b>
<b>Total liabilities</b>		<b>(220,829)</b>		<b>(582,211)</b>
<b>Net assets attributable to Shareholders</b>		<b>44,920,041</b>		<b>44,077,593</b>

# MI Charles Stanley Monthly High Income Fund

## Distribution Tables

for the period ended 31 July 2024

### Income Share Distributions

Share class	Distribution	Shares	Net revenue p	Equalisation p	Distribution paid/payable 2024 p	Distribution paid 2023 p
A	First interim	Group 1	0.2885	-	0.2885	0.2754
		Group 2	-	0.2885	0.2885	0.2754
	Second interim	Group 1	0.2881	-	0.2881	0.2891
		Group 2	0.1374	0.1507	0.2881	0.2891
	Third interim	Group 1	0.2884	-	0.2884	0.2891
		Group 2	0.0809	0.2075	0.2884	0.2891
Fourth interim	Group 1	0.2883	-	0.2883	0.2894	
	Group 2	-	0.2883	0.2883	0.2894	
Fifth interim	Group 1	0.2883	-	0.2883	0.2890	
	Group 2	-	0.2883	0.2883	0.2890	
Sixth interim	Group 1	0.2882	-	0.2882	0.2890	
	Group 2	-	0.2882	0.2882	0.2890	
B <sup>†</sup>	First interim <sup>^</sup>	Group 1	0.3589	-	0.3589	N/A
		Group 2	0.3589	-	0.3589	N/A
	Second interim <sup>^</sup>	Group 1	0.3595	-	0.3595	N/A
		Group 2	0.3595	-	0.3595	N/A
	Third interim	Group 1	0.3596	-	0.3596	N/A
		Group 2	-	0.3596	0.3596	N/A
Fourth interim	Group 1	0.3599	-	0.3599	0.2196	
	Group 2	-	0.3599	0.3599	0.2196	
Fifth interim	Group 1	0.3600	-	0.3600	0.2954	
	Group 2	-	0.3600	0.3600	0.2954	
Sixth interim <sup>^</sup>	Group 1	0.3600	-	0.3600	0.3294	
	Group 2	0.3600	-	0.3600	0.3294	
C	First interim	Group 1	0.3000	-	0.3000	0.2857
		Group 2	0.1386	0.1614	0.3000	0.2857
	Second interim	Group 1	0.3000	-	0.3000	0.3000
		Group 2	0.1268	0.1732	0.3000	0.3000
	Third interim	Group 1	0.3000	-	0.3000	0.3000
		Group 2	0.0757	0.2243	0.3000	0.3000
Fourth interim	Group 1	0.3000	-	0.3000	0.3000	
	Group 2	-	0.3000	0.3000	0.3000	
Fifth interim	Group 1	0.3000	-	0.3000	0.3000	
	Group 2	-	0.3000	0.3000	0.3000	
Sixth interim	Group 1	0.3000	-	0.3000	0.3000	
	Group 2	-	0.3000	0.3000	0.3000	

<sup>†</sup>Launched 02 May 2023.

<sup>^</sup>No group 2 shares held in this distribution period.

# MI Charles Stanley Monthly High Income Fund

## Distribution Tables

continued

### Accumulation Share Distributions

Share class	Distribution	Shares	Net revenue p	Equalisation p	Amount reinvested 2024 p	Amount reinvested 2023 p	
A	First interim	Group 1	0.6412	–	0.6412	0.5811	
		Group 2	0.6229	0.0183	0.6412	0.5811	
	Second interim <sup>^</sup>	Group 1	0.6449	–	0.6449	0.6117	
		Group 2	0.6449	–	0.6449	0.6117	
	Third interim	Group 1	0.6454	–	–	0.6454	0.6136
		Group 2	–	0.6454	0.6454	0.6454	0.6136
Fourth interim <sup>^</sup>	Group 1	0.6466	–	–	0.6466	0.6184	
	Group 2	0.6466	–	–	0.6466	0.6184	
Fifth interim <sup>^</sup>	Group 1	0.6482	–	–	0.6482	0.6180	
	Group 2	0.6482	–	–	0.6482	0.6180	
Sixth interim <sup>^</sup>	Group 1	0.6522	–	–	0.6522	0.6213	
	Group 2	0.6522	–	–	0.6522	0.6213	
C	First interim	Group 1	0.4790	–	0.4790	0.4321	
		Group 2	0.2326	0.2464	0.4790	0.4321	
	Second interim	Group 1	0.4803	–	–	0.4803	0.4557
		Group 2	0.0182	0.4621	0.4803	0.4557	
	Third interim	Group 1	0.4814	–	–	0.4814	0.4571
		Group 2	0.1710	0.3104	0.4814	0.4571	
Fourth interim	Group 1	0.4826	–	–	0.4826	0.4576	
	Group 2	–	0.4826	0.4826	0.4576		
Fifth interim	Group 1	0.4842	–	–	0.4842	0.4591	
	Group 2	–	0.4842	0.4842	0.4591		
Sixth interim	Group 1	0.4857	–	–	0.4857	0.4601	
	Group 2	–	0.4857	0.4857	0.4601		

<sup>^</sup>No group 2 shares held in this distribution period.

First interim period: 01.02.24 - 29.02.24

Second interim period: 01.03.24 - 31.03.24

Third interim period: 01.04.24 - 30.04.24

Fourth interim period: 01.05.24 - 31.05.24

Fifth interim period: 01.06.24 - 30.06.24

Sixth interim period: 01.07.24 - 31.07.24

Group 1: Shares purchased prior to a distribution period

Group 2: Shares purchased during a distribution period

### Equalisation

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

## Investment Objective and Policy

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

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

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

## Investment Manager's Report

for the period ended 31 July 2024

### Market Overview

The Sub-fund posted a +9.6% total return over the last six months, compared to +12.3% for the FTSE All Share and a +8.1% total return for the IA Global peer group.

(Source: Financial Express Analytics, as at 31 July 2024, pounds sterling, net income re-invested, A Accumulation shares)

Global equity markets powered higher during the period, fuelled by investor enthusiasm for the US listed 'Magnificent 7' technology stocks. These businesses continued to report upbeat earnings, with their shares driving global indices higher, as they met or exceeded expectations. The exuberance surrounding these mega-cap companies overshadowed downbeat comments from the US Federal Reserve who cautioned against cutting interest rates too quickly. The risk of a policy error has increased with the prospects of a global recession resulting from slowing growth levels and sticky inflation, potentially leading to a period of stagflation. For the time being, however, recent economic data remains resilient and wage data robust.

Central banks around the world continue to navigate evolving economic conditions, remaining vigilant in their effort to ensure financial stability. Investors, however, believe that policymakers are close to easing monetary policy. The European Central Bank ('ECB') cut interest rates despite lingering inflation concerns, following similar cuts by Swedish and Swiss policymakers. The unexpected move diverged from US Federal Reserve policy and increased the risk of importing inflation into the region from higher import prices, as the Euro weakened against the Dollar. Recent data releases indicate the US economy continues to perform well and, with lower inflation levels, the market now expects only two interest rate cuts this year by the Federal Reserve ('Fed'), with the first possibly in September.

An unprecedented number of elections took place around the world during the period. Voters went to the polls in South Africa, India, Mexico and at the European Parliament, to name but a few of significance. With the resurgence of populist parties, investors remained nervous that these elections could deliver ineffectual coalition governments, transforming domestic and foreign policies and potentially leading to an increase in protectionism and slowing global growth. Meanwhile, geopolitics was dominated by the ongoing conflict between Ukraine and Russia, while ceasefire talks continue between Israel and the armed Palestinian group Hamas. This is despite the conflict intensifying through the summer months, with significant fighting and humanitarian crises reported.

In the US, Donald Trump tightened his grip as the Republican nominee in March, following a decisive win against South Carolina Governor Nikki Haley. He then survived an assassination attempt in July, while speaking at an open-air campaign rally. This was shortly followed by Joe Biden's surprise withdrawal from the presidential election, following vociferous pressure from Democratic leaders and influential party donors after his disastrous TV debate, endorsing Vice-President Kamala Harris to succeed him. With only three months remaining until Americans go to the polls, Donald Trump remains narrowly ahead, despite him being found guilty on 34 accounts of false accounting earlier in the year.

In the UK, a desperate attempt by the former Chancellor Jeremy Hunt to deliver lower taxes, more investment, and better public services, failed to energise the Conservative party's campaign for re-election. Political leaders toured the country ahead of the General Election on 4 July, in which Sir Keir Starmer and the Labour Party achieved a historic victory, securing the largest parliamentary majority of any party in modern history. UK equities have enjoyed a frenzy of takeover activity as international investors warmed to the relatively cheap domestic market, helped by the country's improving monetary and political situation. With consumer confidence rising and wage inflation growth stabilising, this provided a boost of optimism to the London market.

# MI Charles Stanley UK & International Growth Fund

## Investment Manager's Report

continued

In France, President Macron unexpectedly dissolved the national parliament and called a snap election, following his party's dreadful performance in the European Parliament elections. Following the vote, the country has added further to the geopolitical instability in Europe, as no party secured a majority to form a government. In Germany, Chancellor Olaf Scholz's coalition government suffered a significant blow in the European Parliament elections, with the Social Democrats experiencing their worst performance in over a century. This outcome cast doubt on the coalition's stability. Finally, in Japan, Prime Minister Fumio Kishida continued to grapple with internal conflicts within the Liberal Democratic Party ('LDP') and a decline in public support. While growth in major advanced economies slowed, emerging markets, particularly India and China, continue to be key drivers of global growth.

### Outlook

The global economic outlook has started to brighten, with inflation falling sharply towards target levels, driven by restrictive monetary policy, lower energy prices, and easing supply chain pressures. However, growth remains worryingly modest and may slow further in the second half of the year, due to effects of tight monetary policy and fading post-pandemic tailwinds.

Borrowing costs are expected to fall, with the Bank of England strongly expected to join the ECB in lowering borrowing costs, pressure will begin to intensify on the US Federal Reserve to cut its benchmark interest rate. This will be the first cut since the outbreak of Covid-19 more than four years ago, with core inflation having returned to the Central Bank's target. The American economy is performing well with asset prices driven higher by investor enthusiasm for Artificial Intelligence and technology stocks. Any surprise softening of economic data could lead to concerns of a policy mistake by Fed chair Jerome Powell and raise the prospects of a slowdown and a possible hard landing in the world's largest economy. However, recent data releases indicate lower inflation levels with the market now expecting only two interest rate cuts this year by the Federal Reserve, with the first possibly in September.

Within the UK, the Labour party has inherited an improving domestic economy, benefitting from a consumer led recovery, with low unemployment and rising incomes boosting spending. Expectations that a new government will usher in a prolonged period of stability in UK politics could reassure markets and provide support to sterling and UK debt.

The American primaries will be closely watched to decide the two Presidential candidates ahead of the election in November. Incumbent Joe Biden endorsed his vice president Kamala Harris as his successor, ending his re-election campaign. She is now backed to secure enough delegates to become the presumptive Democratic nominee. It remains to be seen whether she will continue to pledge high levels of spending on infrastructure projects. Meanwhile, a victory for Donald Trump's Republican party could reshape US foreign policy, causing a sharp rise in geopolitical tensions. Whether under a Harris or Trump administration, fiscal policy is expected to remain expansive. However, if Trump wins, the risk of inflation may be higher. Tariffs could significantly increase across various countries and industries, leading to inflationary pressures.

Geopolitical tensions and supply chain disruptions are likely to continue to pose some challenges to economic stability, however, the global economy is expected to enjoy a period of moderate growth, driven by an increase in consumer spending, lower unemployment and investment in technology and renewable energy sectors. Deglobalisation concerns continue to remain a threat to markets, as trade tensions between the US and China persist. Russian forces are pressing ahead with their offensive in north-eastern Ukraine, while Israeli troops are engaged in close quarters combat with Hamas fighters in north Gaza.

Although enthusiasm for the US listed 'Magnificent 7' technology stocks has begun to fade recently, it is encouraging that other sectors are now taking part in a broader equity market rally. With encouraging signs that the global economy has potentially escaped a deep recession, and as policymakers pivot to cutting interest rates, investors will be hopeful of a sustained rally in risk assets as we head towards the year end.

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



## Investment Manager's Report

continued

### Significant Portfolio Changes

#### Purchases since 31 January 2024

	<b>Cost</b>
	<b>£</b>
Polar Capital Global Insurance - E Income GBP	1,148,518
Sage	677,449
WS Gresham House UK Smaller Companies - F Income GBP	654,661
National Grid	182,477
Legal & General	151,300
Rio Tinto	147,685
Diageo	100,097
BP	99,688
	3,161,875

#### Top 10 sales since 31 January 2024

	<b>Proceeds</b>
	<b>£</b>
Darktrace	999,326
Lloyds Banking	953,696
DS Smith	847,344
Vodafone	714,272
Aviva Investors US Equity Income - Class 5 Income GBP	712,006
Loomis Sayles US Equity Leaders - Q Accumulation GBP	500,650
RELX	374,269
Barclays	346,094
iShares S&P 500 Financials UCITS ETF - Accumulation USD	273,991
M&G	174,051
	5,895,699

# MI Charles Stanley UK & International Growth Fund

## Portfolio Statement

as at 31 July 2024

Holding	Security	Market value £	% of total net assets 2024
	<b>TECHNOLOGY 0.62% (0.55%)</b>		
	<b>Software and Computer Services 0.62% (0.55%)</b>		
64,000	Sage	695,040	0.62
	<b>TELECOMMUNICATIONS 0.00% (0.67%)</b>		
	<b>Telecommunications Service Providers 0.00% (0.67%)</b>		
	<b>HEALTH CARE 5.96% (6.04%)</b>		
	<b>Medical Equipment and Services 0.54% (0.57%)</b>		
54,000	Smith & Nephew	606,150	0.54
	<b>Pharmaceuticals and Biotechnology 5.42% (5.47%)</b>		
22,000	AstraZeneca	2,719,640	2.41
131,200	GSK	1,983,088	1.76
15,000	Novartis	1,308,220	1.16
3,000	Sandoz	101,318	0.09
		6,112,266	5.42
	<b>FINANCIALS 8.99% (9.19%)</b>		
	<b>Banks 4.32% (4.01%)</b>		
1,369,000	Barclays	3,197,984	2.84
2,806,000	Lloyds Banking	1,671,815	1.48
		4,869,799	4.32
	<b>Finance and Credit Services 1.18% (1.18%)</b>		
14,000	London Stock Exchange	1,325,800	1.18
	<b>Investment Banking and Brokerage Services 0.73% (0.99%)</b>		
388,000	M&G	823,724	0.73
	<b>Closed End Investments 0.66% (0.63%)</b>		
86,000	Scottish Mortgage Investment Trust	743,384	0.66
	<b>Life Insurance 2.10% (2.38%)</b>		
583,000	Legal & General	1,350,811	1.20
146,000	Prudential	1,020,540	0.90
		2,371,351	2.10
	<b>REAL ESTATE 0.48% (0.54%)</b>		
	<b>Real Estate Investment Trusts 0.48% (0.54%)</b>		
86,000	Land Securities	546,530	0.48
	<b>CONSUMER DISCRETIONARY 5.63% (5.84%)</b>		
	<b>Consumer Services 2.38% (2.41%)</b>		
112,000	Compass	2,683,520	2.38
	<b>Media 3.25% (3.43%)</b>		
100,000	RELX	3,670,000	3.25
	<b>CONSUMER STAPLES 6.03% (6.49%)</b>		
	<b>Beverages 1.16% (1.35%)</b>		
54,000	Diageo	1,305,990	1.16

# MI Charles Stanley UK & International Growth Fund

## Portfolio Statement

continued

Holding	Security	Market value £	% of total net assets 2024
	<b>Tobacco 1.82% (1.81%)</b>		
45,000	British American Tobacco	1,235,250	1.10
38,000	Imperial Brands	814,720	0.72
		<b>2,049,970</b>	<b>1.82</b>
	<b>Personal Care, Drug and Grocery Stores 3.05% (3.33%)</b>		
26,000	Ocado	105,378	0.09
21,000	Reckitt Benckiser	877,170	0.78
425,000	Tesco	1,408,875	1.25
22,000	Unilever	1,050,500	0.93
		<b>3,441,923</b>	<b>3.05</b>
	<b>INDUSTRIALS 2.74% (2.95%)</b>		
	<b>General Industrials 0.60% (0.94%)</b>		
150,000	DS Smith	681,900	0.60
	<b>Industrial Support Services 2.14% (2.01%)</b>		
30,000	Experian	1,100,700	0.98
276,000	Rentokil Initial	1,310,172	1.16
		<b>2,410,872</b>	<b>2.14</b>
	<b>BASIC MATERIALS 2.30% (2.40%)</b>		
	<b>Industrial Metals and Mining 2.30% (2.40%)</b>		
277,000	Glencore	1,190,546	1.05
28,000	Rio Tinto	1,407,000	1.25
		<b>2,597,546</b>	<b>2.30</b>
	<b>ENERGY 4.16% (4.01%)</b>		
	<b>Oil, Gas and Coal 4.16% (4.01%)</b>		
436,000	BP	1,999,932	1.77
95,000	Shell	2,698,000	2.39
		<b>4,697,932</b>	<b>4.16</b>
	<b>UTILITIES 2.14% (2.10%)</b>		
	<b>Gas, Water and Multi-utilities 2.14% (2.10%)</b>		
125,291	National Grid	1,235,369	1.09
46,000	Severn Trent	1,179,900	1.05
		<b>2,415,269</b>	<b>2.14</b>
	<b>COLLECTIVE INVESTMENT SCHEMES 53.44% (51.94%)</b>		
	<b>Asia Pacific 9.00% (8.79%)</b>		
132,000	Baring Eastern - D Income GBP*	1,646,040	1.46
564,170	First State Stewart Investment Asia Pacific - B Income GBP*	1,877,333	1.66
1,556,000	M&G Japan – PP Income GBP*	2,274,405	2.01
829,000	Man GLG Japan CoreAlpha - D Income*	2,613,008	2.32
2,258,576	Schroder Asian Income - L Income GBP*	1,746,783	1.55
		<b>10,157,569</b>	<b>9.00</b>

# MI Charles Stanley UK & International Growth Fund

## Portfolio Statement

continued

Holding	Security	Market value £	% of total net assets 2024
<b>Continental Europe 3.99% (4.05%)</b>			
75,000	Baillie Gifford Overseas Growth - B Income GBP*	1,634,250	1.45
914,000	BlackRock Continental European Income - D Income GBP*	1,730,412	1.53
292,000	Legal & General European Index - C Distribution GBP*	1,138,800	1.01
		<b>4,503,462</b>	<b>3.99</b>
<b>Emerging Markets 1.86% (1.69%)</b>			
66,000	Goldman Sachs India Equity - I Income GBP*	2,096,820	1.86
<b>Global 2.72% (1.70%)</b>			
1,725,000	M&G Global Listed Infrastructure - PP Income GBP*	1,882,665	1.67
130,000	Polar Capital Global Insurance - E Income GBP*	1,183,000	1.05
		<b>3,065,665</b>	<b>2.72</b>
<b>North America 33.38% (33.98%)</b>			
1,080,000	Aviva Investors US Equity Income - Class 5 Income GBP*	2,832,948	2.51
1,080,000	AXA Framlington American Growth - Z Accumulation GBP*	7,533,000	6.68
206,000	Brown Advisory US Smaller Companies - C Accumulation USD*	5,109,506	4.53
61,073	Dodge & Cox Worldwide US Stock - Income GBP*	2,130,210	1.89
140,000	Fidelity American Special Situations - W Accumulation*	3,735,200	3.31
3,843,000	JPM US Equity Income - C2 Income*	6,294,834	5.58
1,580,000	Loomis Sayles US Equity Leaders - Q Accumulation GBP*	10,019,886	8.88
		<b>37,655,584</b>	<b>33.38</b>
<b>United Kingdom 2.49% (1.73%)</b>			
200,000	Aberdeen UK Smaller Companies - Institutional Accumulation*	2,100,000	1.86
668,000	WS Gresham House UK Smaller Companies - F Income GBP*	705,942	0.63
		<b>2,805,942</b>	<b>2.49</b>
<b>EXCHANGE TRADED FUNDS 6.71% (6.66%)</b>			
<b>Exchange Traded Funds 6.71% (6.66%)</b>			
282,000	iShares S&P 500 Financials UCITS ETF - Accumulation USD	2,785,455	2.47
48,000	Vanguard FTSE 250 UCITS ETF	1,600,080	1.42
39,000	Vanguard S&P 500 ETF	3,185,033	2.82
		<b>7,570,568</b>	<b>6.71</b>
<b>Investment assets</b>		<b>111,904,576</b>	<b>99.20</b>
<b>Net other assets</b>		<b>897,218</b>	<b>0.80</b>
<b>Net assets</b>		<b>112,801,794</b>	<b>100.00</b>

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

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

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

Total purchases for the period: £3,213,559

Total sales for the period: £6,407,143

## Net Asset Value and Shares in Issue

Class	Net Asset Value	Shares in issue	Net Asset Value per share p	Operating Charge Figure*
A Accumulation	£112,801,794	30,199,138	373.53	1.44%

\*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 charges 0.38%). The figures used within this table have been calculated by annualising the expenses incurred against the average Net Asset Value for the accounting period.

## Risk and Reward Profile

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



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

- Bond values are affected by changes in interest rates, inflation and any decline in creditworthiness of the bond issuer. Bonds that produce a higher level of income usually also carry greater risk as such bond issuers may not be able to pay the bond income as promised or could fail to repay the capital amount used to purchase the bond.
- For funds investing globally, currency exchange rate fluctuations may have a positive or negative impact on the value of your investment.
- The Sub-fund invests into other funds which themselves invest in assets such as bonds, company shares, cash and currencies. The objectives and risk profiles of these underlying funds may not be fully in line with those of this Sub-fund.
- In difficult market conditions, the value of some investments may be less predictable than normal and the Sub-fund may not be able to buy and sell these investments at the best time or at a fair price. This could affect the Sub-fund's performance, potentially reducing your returns.
- For further risk information please see the Prospectus.

### Risk Warning

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

# MI Charles Stanley UK & International Growth Fund

## Statement of Total Return

for the period ended 31 July 2024

	31.07.24		31.07.23	
	£	£	£	£
Income				
Net capital gains		10,045,792		674,998
Revenue	1,400,160		1,605,319	
Expenses	(581,628)		(569,649)	
Net revenue before taxation	818,532		1,035,670	
Taxation	(16,769)		2,613	
Net revenue after taxation		801,763		1,038,283
<b>Total return before distributions</b>		<b>10,847,555</b>		<b>1,713,281</b>
Distributions		(801,753)		(1,038,275)
<b>Change in net assets attributable to Shareholders from investment activities</b>		<b>10,045,802</b>		<b>675,006</b>

## Statement of Change in Net Assets Attributable to Shareholders

for the period ended 31 July 2024

	31.07.24		31.07.23	
	£	£	£	£
<b>Opening net assets attributable to Shareholders</b>		<b>105,708,375</b>		<b>110,040,258</b>
Amounts receivable on issue of shares	1,604,382		1,337,108	
Less: Amounts payable on cancellation of shares	(5,342,426)		(7,215,735)	
		(3,738,044)		(5,878,627)
Change in net assets attributable to Shareholders from investment activities (see Statement of Total Return above)		10,045,802		675,006
Retained distributions on accumulation shares		785,661		997,511
<b>Closing net assets attributable to Shareholders</b>		<b>112,801,794</b>		<b>105,834,148</b>

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.

# MI Charles Stanley UK & International Growth Fund

## Balance Sheet

as at 31 July 2024

	31.07.24		31.01.24	
	£	£	£	£
<b>ASSETS</b>				
<b>Fixed Assets</b>				
Investments		111,904,576		105,050,952
<b>Current Assets</b>				
Debtors	256,920		234,510	
Cash and bank balances	920,510		656,263	
<b>Total current assets</b>		<b>1,177,430</b>		<b>890,773</b>
<b>Total assets</b>		<b>113,082,006</b>		<b>105,941,725</b>
<b>LIABILITIES</b>				
<b>Creditors</b>				
Other creditors	(280,212)		(233,350)	
<b>Total creditors</b>		<b>(280,212)</b>		<b>(233,350)</b>
<b>Total liabilities</b>		<b>(280,212)</b>		<b>(233,350)</b>
<b>Net assets attributable to Shareholders</b>		<b>112,801,794</b>		<b>105,708,375</b>

# MI Charles Stanley UK & International Growth Fund

## Distribution Table

for the period ended 31 July 2024

### Accumulation Share Distributions

Share class	Distribution	Shares	Net revenue p	Equalisation p	Amount reinvested 2024 p	Amount reinvested 2023 p
A	Interim	Group 1	2.6016	–	2.6016	3.0980
		Group 2	1.0215	1.5801	2.6016	3.0980

Interim period: 01.02.24 - 31.07.24

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

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

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

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

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

MI Charles Stanley Equity Fund  
 MI Charles Stanley Monthly High Income Fund  
 MI Charles Stanley UK & International Growth Fund

### Head Office

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

### Address for Service

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

### Base Currency

The base currency of the Company is Pounds Sterling.

### Share Capital

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

### Classes of Shares

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

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

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

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

The Company may issue both Income and Accumulation Shares.

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

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

### 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.

# MI Charles Stanley Investment Funds II

## General Information

continued

### Buying, Redeeming and Switching of Shares

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

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

Or by telephone to: 0345 308 1456

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

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

### Pricing Basis

There is a single price for buying, selling and switching shares for each share class in a Sub-fund which represents the Net Asset Value of the share class 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](http://www.fundrock.com). Neither the Company nor the ACD can be held responsible for any errors in the publication of the prices. The shares in the Company will be issued and redeemed on a forward pricing basis which means that the price will not necessarily be the same as the published price.

### Other Information

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

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

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

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

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

### Significant Information

The ACD has assessed implications of current world geopolitical tensions and conflicts. The current crises have and will have a wider impact in terms of market performance.

### Risk Warning

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

