

Objective

The objective is to provide income with the potential for capital growth over any 5-year period.

Key Facts

Investment Manager	Town Close Financial Planning Ltd
Comparator	IA Mixed Investment 0-35% Shares
Fund Size	£27,670,749
Launch Date	20 October 2025
Share Class	MGTS Town Close Defensive Fund Acc
ISIN	GB00BRC1R861
OCF	0.540%
Yield	TBC

Market Commentary

Markets have entered a more complex phase, where elevated geopolitical risk is not yet translating into weaker asset prices. The recent escalation in conflict has driven a sharp rise in oil prices and increased uncertainty around the global outlook. However, equity markets (particularly in the US) have remained resilient, reflecting the absence of clear recession signals in the underlying economic data.

In the UK, conditions have become more challenging. Higher energy costs, rising gilt yields and increasing political uncertainty are placing pressure on both policymakers and the consumer. Market expectations for interest rate cuts have moderated, and the risk of more persistent inflation has increased. This has reduced the diversification benefit typically expected from government bonds in the short term, as rising inflation expectations have driven both bond yields and equity volatility.

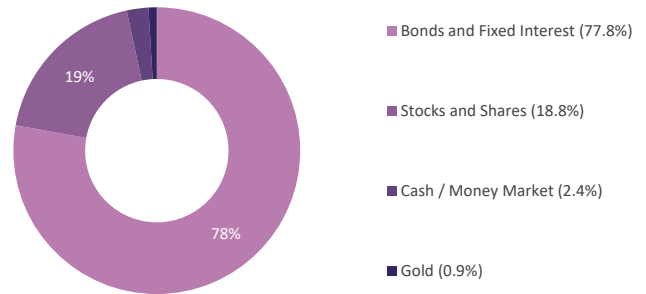
By contrast, the US economy continues to show relative strength. While consumer sentiment remains weak, this has not yet translated into reduced spending or a deterioration in employment data. As a result, markets remain focused on US recession risk as the primary driver of asset prices. In the absence of a clear downturn, risk assets have been supported, despite the more fragile macro backdrop.

Portfolio positioning remains broadly neutral, with an emphasis on flexibility. Short-duration fixed income continues to provide attractive yields while limiting interest rate sensitivity. Credit spreads remain tight, and we see limited value in increasing high-yield exposure at current levels.

During the period, we implemented targeted changes to improve portfolio structure and efficiency. This included reducing exposure to US equities within the Growth portfolio and increasing allocation to ultra-short duration bonds, reflecting a more cautious near-term stance. In addition, we have agreed to transition high-yield exposure from a passive ETF to an actively managed strategy, where we believe there is greater potential for outperformance.

Overall, portfolios remain positioned to participate in long-term growth, while retaining the flexibility to respond as market conditions evolve.

Asset Allocation



Portfolio Holdings

iShares £ Ultrashort Bond ETF GBP Dist	15.46%
Vanguard Global Aggregate Bond UCITS ETF GBP Hedged	15.09%
iShares \$ Floating Rate Bond UCITS ETF GBP Hedged	5.11%
Ishares MSCI World Small Cap UCITS ETF	2.06%
HSBC Multi Factor Worldwide Equity UCITS ETF	0.99%
iShares Edge MSCI World Quality Factor UCITS ETF USD	0.47%
iShares UK Gilts 0-5yr GBP Dist	9.97%
iShares £ Corp Bond 0-5yr GBP Dist	9.93%
iShares Core UK Gilts UCITS ETF GBP (Dist)	7.45%
GBP Cash	2.45%
Vanguard FTSE 100 ETF	1.45%
WisdomTree Core Physical Gold USD ETC	0.93%
Vanguard FTSE 250 UCITS ETF	0.60%
Invesco US Trs Bd 7-10 Yr ETF USD Dis	9.89%
iShares \$ High Yld Corp Bd ETF GBPH Dist	4.94%
SPDR S&P 500 UCITS ETF USD Acc	2.90%
Invesco S&P 500 Equal Weight ETF Acc	1.53%
iShares S&P 500 USD (Dist)	1.52%
SPDR® S&P 400 US Mid Cap UCITS ETF USD Acc	1.01%
iShares NASDAQ 100 ETF USD Acc	0.44%
iShares Core MSCI EM IMI UCITS ETF Acc	2.04%
HSBC Euro Stoxx 50 UCITS ETF Inc	1.94%
Vanguard FTSE Japan ETF	1.01%
HSBC MSCI Pacific ex Japan UCITS ETF	0.83%

Performance

The IA (Investment Association) Mixed Investment 0-35% Shares Sector is used as the comparator. This is considered appropriate for investors to use when comparing performance as the sector is expected to have a similar risk profile to the Sub-fund. The sector is not constructed as an Index, therefore as funds enter or leave the sector composition can change, but it is considered that the sector remains a useful and relevant comparator for investors to assess performance within a relevant peer group.

Cumulative Performance	3 Months	6 Months	1 Year	3 Years	5 Years	10 Years
MGTS Town Close Defensive Fund Acc	-0.38	-	-	-	-	-
IA Mixed Investment 0-35% Shares	-0.89	1.26	6.49	16.58	10.01	34.19

Discrete Performance	YTD	2025	2024	2023	2022	2021
MGTS Town Close Defensive Fund Acc	-0.38	-	-	-	-	-
IA Mixed Investment 0-35% Shares	-0.89	8.02	4.37	6.06	-10.22	2.57



Source: Morningstar Direct as at 31 March 2026. Performance is bid to bid with income reinvested.

Past Performance is no guarantee of future performance and investors may get back less than the original amount invested.

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