

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	£27,607,433
Launch Date	20 October 2025
Share Class	MGTS Town Close Defensive Fund Acc
ISIN	GB00BRC1R861
OCF	0.540%
Yield	TBC

Market Commentary

As we move into 2026, markets continue to balance easing inflation against still-restrictive monetary policy. While interest rates appear close to their peak, central banks remain cautious, aiming to avoid loosening financial conditions too quickly.

Against this backdrop, portfolio positioning remains deliberately balanced. We continue to favour short-duration fixed income, where yields remain attractive and are most sensitive to future rate cuts. Longer-dated bonds offer less compelling risk-reward, with much of the expected policy easing already reflected in current yields.

In credit markets, high-yield spreads remain historically tight. Existing holdings continue to provide income, but we see limited justification for increasing exposure at current levels and are monitoring conditions for more attractive entry points.

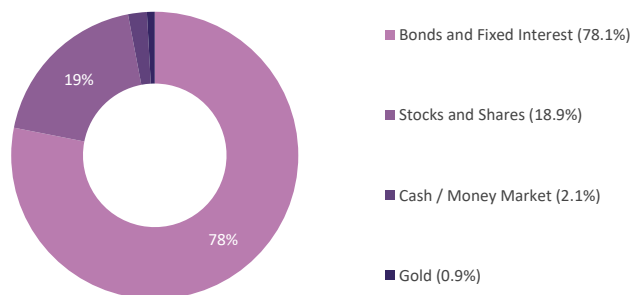
Equity markets present a more nuanced picture. US valuations remain elevated but are not sufficient to justify a materially defensive stance given ongoing earnings resilience. Elsewhere, markets such as Japan and parts of Europe offer more attractive valuations and supportive policy dynamics, reinforcing the benefits of diversified global exposure.

Overall portfolio risk remains positioned broadly neutrally. While short-term volatility or periodic pullbacks are possible, this measured positioning allows portfolios to participate in growth while retaining flexibility to respond constructively.

During the period, we have implemented targeted refinements focused on efficiency rather than strategy, including switching selected holdings to lower-cost ETFs where this can be done without compromising diversification or liquidity.

We believe this disciplined approach remains appropriate as markets transition toward a more normalised monetary environment.

Asset Allocation



Portfolio Holdings

Global	39.0%
iShares £ Ultrashort Bond ETF GBP Dist	15.4%
Vanguard Global Aggregate Bond UCITS ETF GBP Hedged	15.1%
iShares \$ Floating Rate Bond UCITS ETF GBP Hedged	5.0%
iShares MSCI World Small Cap UCITS ETF	2.0%
HSBC Multi Factor Worldwide Equity UCITS ETF	1.0%
iShares Edge MSCI World Quality Factor UCITS ETF USD	0.5%
UK	31.9%
iShares £ Corp Bond 0-5yr GBP Dist	10.1%
iShares UK Gilts 0-5yr GBP Dist	10.1%
iShares Core UK Gilts UCITS ETF GBP (Dist)	7.5%
GBP Cash	2.1%
Vanguard FTSE 100 ETF	1.4%
iShares FTSE 250 GBP Dist	0.6%
North America	22.4%
Invesco US Trs Bd 7-10 Yr ETF USD Dis	9.8%
iShares \$ High Yld Corp Bd ETF GBPH Dist	5.0%
SPDR S&P 500 UCITS ETF USD Acc	3.0%
iShares S&P 500 USD (Dist)	1.6%
Invesco S&P 500 Equal Weight ETF Acc	1.5%
SPDR® S&P 400 US Mid Cap UCITS ETF USD Acc	1.0%
iShares NASDAQ 100 ETF USD Acc	0.5%
Europe Ex UK	2.0%
HSBC Euro Stoxx 50 UCITS ETF Inc	2.0%
Global Emerging Markets	2.0%
iShares Core MSCI EM IMI UCITS ETF Acc	2.0%
Japan	1.0%
Vanguard FTSE Japan ETF	1.0%
Unclassified	0.9%
WisdomTree ETFS Physical Gold	0.9%
Asia Pacific ex Japan	0.8%
HSBC MSCI Pacific ex Japan UCITS ETF	0.8%

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	-	-	-	-	-	-
IA Mixed Investment 0-35% Shares	2.17	5.04	8.02	19.57	10.12	37.21
Discrete Performance	YTD	2024	2023	2022	2021	2020
MGTS Town Close Defensive Fund Acc	-	-	-	-	-	-
IA Mixed Investment 0-35% Shares	8.02	4.37	6.06	-10.22	2.57	3.98



Source: Morningstar Direct as at 31 December 2025. 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.

Important Information

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