MGTS Town Close Defensive Fund

As at 28 August 2026

## 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 | £28,013,068 |
| Launch Date | 20 October 2025 |
| Share Class | MGTS Town Close Defensive Fund Acc |
| ISIN | GB00BRC1R861 |
| OCF | 0.580% |
| Yield | TBC |

## Market Commentary

The Investment Committee met on 18 September, following an interim meeting on 4 September at which the annual review of portfolio positioning was completed. At the interim meeting the Committee reviewed the overall equity/fixed interest split and each individual target allocation, and concluded that no changes were warranted.

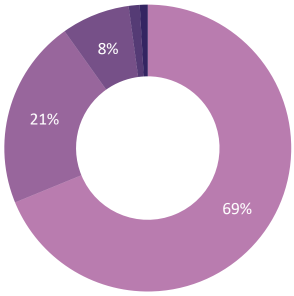
The scheduled rebalance of both funds was carried out in early September, returning both portfolios to target weights after equity strength had produced modest drift. The timing proved favourable, with fixed interest purchases completed shortly before bond prices ticked up.

Both funds trailed their benchmarks over August but remain ahead of the passive comparator monitored by the Committee, and performance since launch remains satisfactory. Following the rebalance, allocations are close to target across both portfolios.

The macroeconomic discussion centred on monetary policy. The US Federal Reserve raised interest rates in the week of the meeting, with guidance more hawkish than markets had anticipated; several further increases are now priced in. The rise in short-term rates is widely interpreted as an attempt to stabilise longer-term yields, which remain elevated amid persistent inflation and heavy government borrowing. The Bank of England held rates but is expected to tighten before year end, with UK inflation likely to approach 4%. The Bank of Japan also raised rates, an influential development for global bond markets. Energy prices remain elevated amid continuing conflict in the Middle East.

The Committee's recession indicators remain below the thresholds at which action would be considered, and its models currently suggest a neutral stance between defensive and cyclical exposure. Fixed interest positioning remains slightly short of neutral duration, participating in current yields while limiting the impact of any further rise in rates. The Committee reviewed markets in significant drawdown and will monitor Brazil, where further weakness may present an opportunity. No changes to strategy were made. The next meeting is on 21 October.

## Asset Allocation




## Portfolio Holdings

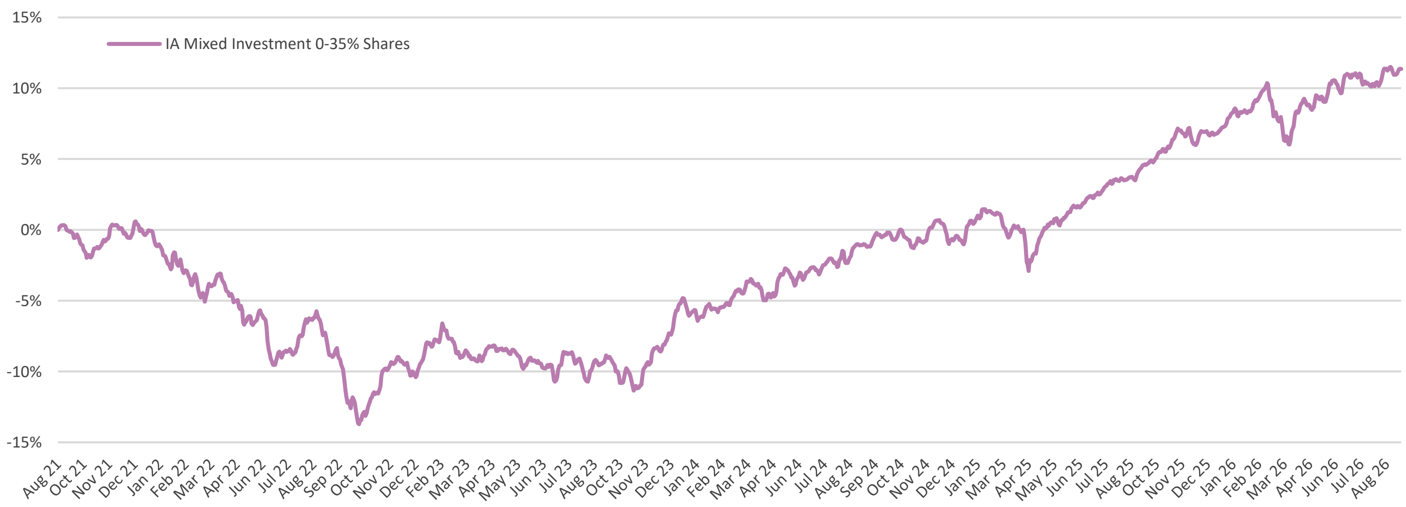
| | |
|---|---|
| **UK** | **38.99%** |
| iShares £ Corp Bond 0-5yr GBP Dist | 9.97% |
| iShares UK Gilts 0-5yr GBP Dist | 9.75% |
| WS Keyridge Sterling Liquidity Fund I Acc | 7.71% |
| iShares Core UK Gilts UCITS ETF GBP (Dist) | 7.19% |
| Vanguard FTSE 100 ETF | 1.52% |
| GBP Cash | 1.24% |
| WisdomTree Core Physical Gold USD ETC | 0.90% |
| Vanguard FTSE 250 UCITS ETF | 0.71% |
| **Global** | **36.64%** |
| Vanguard Global Aggregate Bond UCITS ETF GBP | 14.90% |
| iShares £ Ultrashort Bond ETF GBP Dist | 7.64% |
| Aegon High Yield Bond Fund GBP B Acc | 5.06% |
| iShares $ Floating Rate Bond UCITS ETF GBP Hedged | 5.03% |
| Ishares MSCI World Small Cap UCITS ETF | 2.34% |
| HSBC Multi Factor Worldwide Equity UCITS ETF | 1.13% |
| iShares Edge MSCI World Quality Factor UCITS ETF | 0.54% |
| **North America** | **17.75%** |
| Invesco US Trs Bd 7-10 Yr ETF USD Dis | 9.27% |
| SPDR S&P 500 UCITS ETF USD Acc | 3.35% |
| iShares S&P 500 USD (Dist) | 1.75% |
| Invesco S&P 500 Equal Weight ETF Acc | 1.71% |
| SPDR® S&P 400 US Mid Cap UCITS ETF USD Acc | 1.11% |
| iShares NASDAQ 100 ETF USD Acc | 0.54% |
| **Global Emerging Markets** | **2.41%** |
| iShares Core MSCI EM IMI UCITS ETF Acc | 2.41% |
| **Europe Ex UK** | **2.20%** |
| HSBC Euro Stoxx 50 UCITs ETF Inc | 2.20% |
| **Japan** | **1.13%** |
| Vanguard FTSE Japan ETF | 1.13% |
| **Asia Pacific ex Japan** | **0.88%** |
| HSBC MSCI Pacific ex Japan UCITS ETF | 0.88% |

## 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 |
|---|---|---|---|---|---|---|
| Town Close Defensive Acc | 0.89 | 0.97 | - | - | - | - |
| IA Mixed Investment 0-35% Shares | 0.95 | 0.90 | 7.36 | 23.64 | 11.36 | 31.24 |

| Discrete Performance | YTD | 2025 | 2024 | 2023 | 2022 | 2021 |
|---|---|---|---|---|---|---|
| Town Close Defensive Acc | 3.30 | - | - | - | - | - |
| IA Mixed Investment 0-35% Shares | 3.80 | 8.02 | 4.37 | 6.06 | -10.22 | 2.57 |




Source: Morningstar Direct as at 28 August 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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