MGTS Town Close Defensive Fund

As at 30 September 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	£27,681,257
Launch Date	20 October 2025
Share Class	MGTS Town Close Defensive Fund Acc
ISIN	GB00BRC1R861
OCF	0.580%
Yield	TBC

Market Commentary

Portfolio performance remained strong over the period. September was a negative month for most asset classes, with both equities and bonds falling as government bond yields rose towards month-end.

Against that backdrop the portfolios held up well, and for the first time are ahead of benchmark over the month, year-to-date and since inception across both the Growth and Defensive strategies.

The Growth fund is up over 10% year-to-date, ahead of benchmark and broadly in line with the Vanguard comparator. The Defensive fund is marginally ahead of its sector, a notable outcome given it carries materially less equity than the sector average. Its resilience during September's bond-market weakness reflects active management of duration and a sizeable allocation to cash and short-dated instruments, against the interest-rate sensitivity of a passive bond holding.

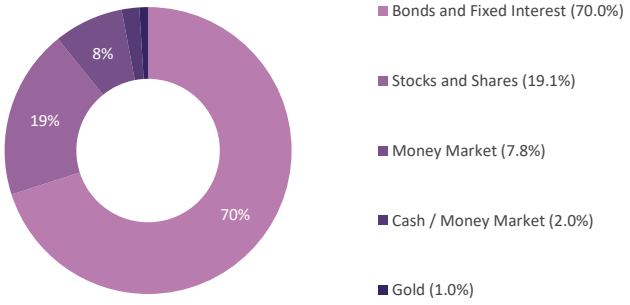
In markets, a familiar pattern persists. Government bond yields remain closely tied to the oil price, which continues to be the dominant near-term influence. A strong, oversubscribed US Treasury auction eased earlier concerns about demand, and yields have since come off their highs. The Committee judges US rates to be around their likely ceiling, absent a fresh move higher that would invite official intervention.

The US economy remains robust, with a strong labour market. The Committee's recession probability framework has moved further below its threshold, more durably so. Its central point is that a meaningful recession requires a deterioration in employment, of which there is currently no evidence.

Equity concentration in a few large US technology companies was discussed at length. The Committee regards valuations as somewhat stretched but broadly justified, and notes the portfolios already temper this through equal-weighted and non-US exposure. No change was judged necessary.

Two measured additions are in prospect: emerging European exposure, treated as part of the European allocation, and Latin American exposure following the Brazilian election. Both are modest and neither alters the overall shape of the portfolios. No rebalance was required, the annual rebalance having completed the previous month.

Asset Allocation



Portfolio Holdings

UK	**40.23%**
iShares UK Gilts 0-5yr GBP Dist	10.08%
iShares £ Corp Bond 0-5yr GBP Dist	9.82%
WS Keyridge Sterling Liquidity Fund I Acc	7.85%
iShares Core UK Gilts UCITS ETF GBP (Dist)	7.53%
GBP Cash	1.98%
Vanguard FTSE 100 ETF	1.39%
WisdomTree Core Physical Gold USD ETC	0.98%
Vanguard FTSE 250 UCITS ETF	0.60%
Global	**36.22%**
Vanguard Global Aggregate Bond UCITS ETF GBP	14.91%
iShares £ Ultrashort Bond ETF GBP Dist	7.77%
iShares $ Floating Rate Bond UCITS ETF GBP Hedged	5.06%
Aegon High Yield Bond Fund GBP B Acc	4.98%
Ishares MSCI World Small Cap UCITS ETF	1.98%
HSBC Multi Factor Worldwide Equity UCITS ETF	1.01%
iShares Edge MSCI World Quality Factor UCITS ETF	0.51%
North America	**17.73%**
Invesco US Trs Bd 7-10 Yr ETF USD Dis	9.91%
SPDR S&P 500 UCITS ETF USD Acc	3.08%
iShares S&P 500 USD (Dist)	1.64%
Invesco S&P 500 Equal Weight ETF Acc	1.49%
SPDR® S&P 400 US Mid Cap UCITS ETF USD Acc	0.99%
iShares NASDAQ 100 ETF USD Acc	0.63%
Global Emerging Markets	**2.01%**
iShares Core MSCI EM IMI UCITS ETF Acc	2.01%
Europe Ex UK	**2.00%**
HSBC Euro Stoxx 50 UCITs ETF Inc	2.00%
Japan	**1.02%**
Vanguard FTSE Japan ETF	1.02%
Asia Pacific ex Japan	**0.79%**
HSBC MSCI Pacific ex Japan UCITS ETF	0.79%

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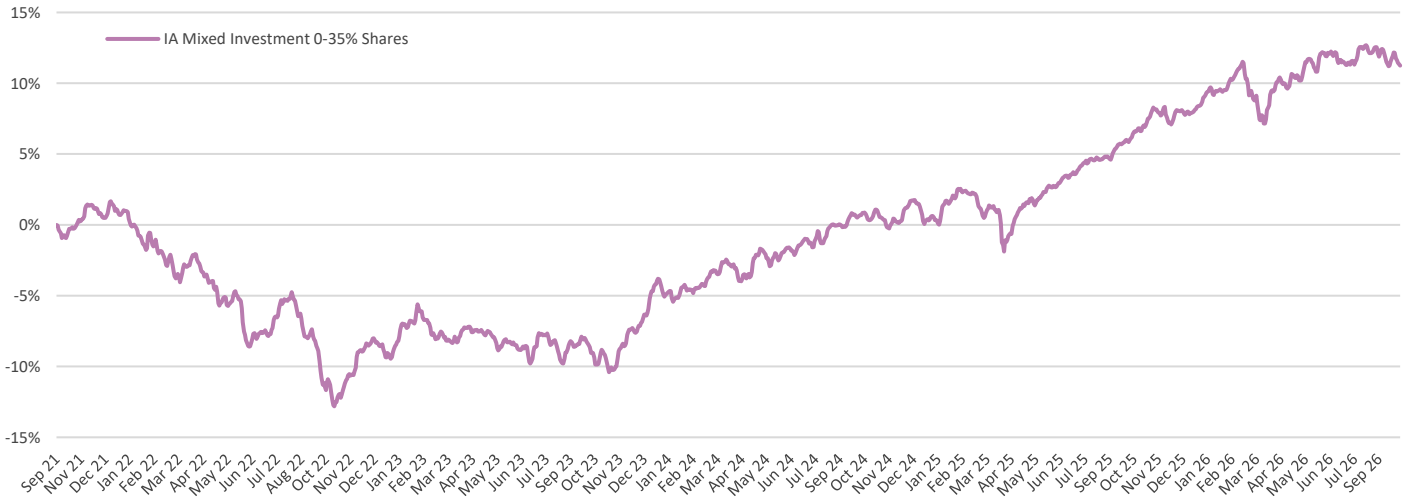
Performance

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	-0.82	3.23	-	-	-	-
IA Mixed Investment 0-35% Shares	-0.88	3.83	4.84	22.27	11.30	29.40

Discrete Performance	YTD	2025	2024	2023	2022	2021
Town Close Defensive Acc	2.60	-	-	-	-	-
IA Mixed Investment 0-35% Shares	2.62	8.02	4.37	6.06	-10.22	2.57



Source: Morningstar Direct as at 30 September 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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