

## OBJECTIVE

The objective is to provide capital growth, with the potential for income, over any 3-year period.

## KEY FACTS

Fund Manager	<b>GWA Asset Management Limited</b>
Comparator	<b>IA Mixed Investment 0-35% Shares</b>
Fund Size	<b>£105,715,070</b>
Launch Date	<b>19 June 2023</b>
Share Class	<b>MGTS Qualis Defensive I Acc</b>
ISIN	<b>GB00BQ66LH78</b>
OCF	<b>0.98%</b>

## MARKET COMMENTARY

A pathway towards a less restrictive monetary backdrop emerged during July, with all eyes remaining firmly fixed on central banks.

The month was positive for bond investors, with yields falling during the month as economic data continued to weaken. Weakening, not weak. The US 10-year treasury bond started the month at 4.53% and ended at 4.05%, a significant fall resulting in positive price rises as the first Federal reserve interest rate cuts expectations coalesced around the upcoming September meeting.

However, this once again did not arrive without volatility. Longer dated bonds still generated returns with a close correlation to equity performance, forgoing the much-needed diversification that many investors have been hoping for. Yet many continue to overlook this, with the short-term pleasure of positive returns masking diversification pain.

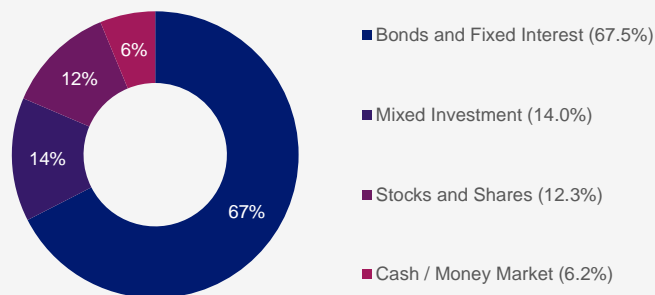
We took advantage of economic data weakness by incrementally increasing duration within the fund, rolling the previously held iShares 0-12 month Treasury Bond ETF and Floating Rate Note ETF into the iShares 3-7 year Treasury Bond ETF. Further to this, we began to reduce, at the periphery, our credit exposure in favour of increasing our diversified alternatives allocation.

Reducing the allocation to some of our Strategic Bond funds, we introduced the TM Tellworth UK Select fund, a long/short UK Equity fund with a specialism in UK small and mid-cap equities. This brought greater alignment to our overall positivity to small cap equities as illustrated in our long only global equity fund.

As the world moves into a new backdrop of falling US interest rates, it becomes very tempting to position the portfolio for one, apparently guaranteed outcome. However, as with our sister equity fund, diversification remains the cornerstone of our conviction-led approach, as illustrated by our positive performance during times of significant market volatility. MGTS Qualis Defensive will remain steadfastly stable, providing our investors with a reliable platform for long term investment performance.

Andrew Alexander  
Fund Manager

## ASSET ALLOCATION



## FULL PORTFOLIO HOLDINGS

<b>£ Strategic Bond</b>	<b>28.2%</b>
Aegon Strategic Bond Fund GBP S Acc	10.1%
Man GLG Dynamic Income - IF H GBP Capitalisation	10.1%
L&G Dynamic Bond I Acc	5.0%
BlackRock Sustainable Sterling Strategic Bond Fund	2.5%
SVS RM Infrastructure Bond Fund F Class Acc	0.4%
<b>Targeted Absolute Return</b>	<b>24.9%</b>
TM Tellworth UK Select Fund - Class A Acc	7.6%
VT Argonaut Absolute Return Fund Class I GBP	7.5%
Royal London Diversified ABS Fund Z Acc	5.0%
M&G Global Target Return Fund GBP L Acc	4.8%
<b>USD Government Bond</b>	<b>15.0%</b>
iShares \$ Treasury Bond 3-7 Year ETF GBP Hedged	15.0%
<b>£ Corporate Bond</b>	<b>9.4%</b>
Man GLG Sterling Corporate Bond Fund Institutional	9.4%
<b>Multistrategy GBP</b>	<b>6.4%</b>
SEI Liquid Alternative Fund Hedged Sterling Wealth	6.4%
<b>UK Gilts</b>	<b>5.0%</b>
iShares Core UK Gilts UCITS ETF GBP (Dist)	5.0%
<b>Other Bond</b>	<b>4.9%</b>
Nomura Funds Ireland Corporate Hybrid Bond Fund F	4.9%
<b>Money Markets</b>	<b>4.9%</b>
Royal London Short Term Money Market Y Acc	4.9%
<b>Deposits</b>	<b>1.3%</b>
GBP Cash	1.3%

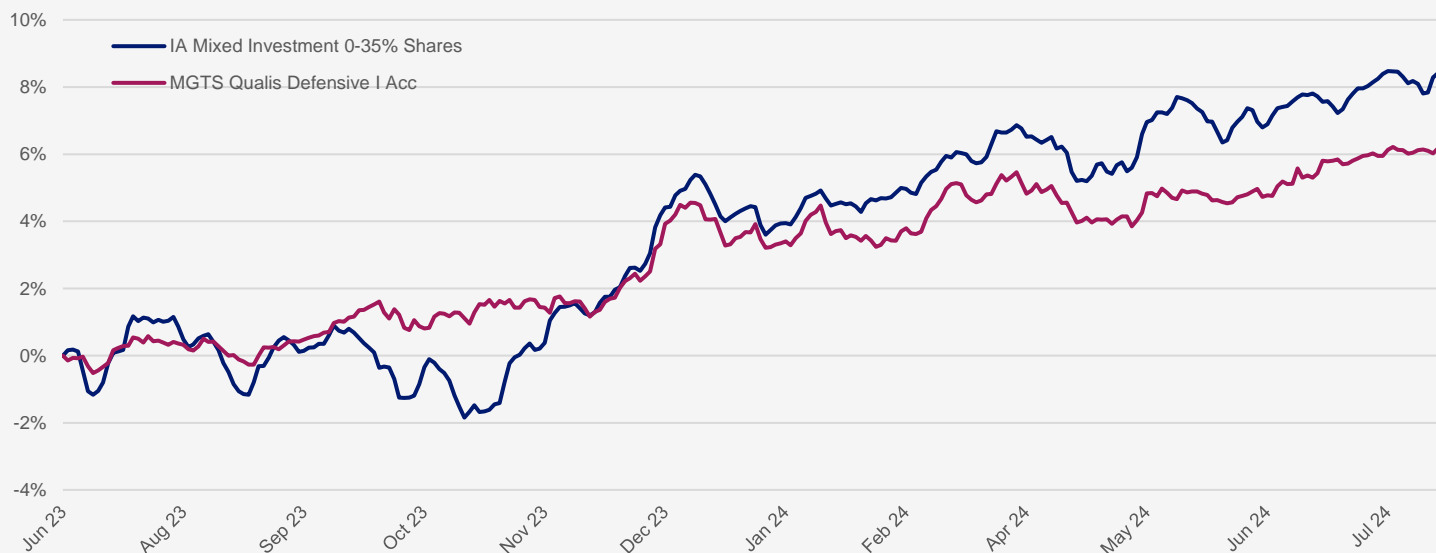
## PERFORMANCE

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 Qualis Defensive I Acc	2.01	1.97	5.90	-	-	-
IA Mixed Investment 0-35% Shares	2.76	3.75	7.57	-1.32	5.65	29.22

Discrete Performance	YTD	2023	2022	2021	2020	2019
MGTS Qualis Defensive I Acc	1.68	-	-	-	-	-
IA Mixed Investment 0-35% Shares	3.17	6.06	-10.22	2.57	3.98	8.80



Source: Morningstar Direct as at 31 July 2024. 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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