

OBJECTIVE

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

KEY FACTS

Investment Manager	GWA Asset Management Limited
Comparator	IA Mixed Investment 0-35% Shares
Fund Size	£114,585,911
Launch Date	19 June 2023
Share Class	MGTS Qualis Defensive I Acc
ISIN	GB00BQ66LH78
OCF	0.980%
Yield	3.410%

MARKET COMMENTARY

December was a slightly more eventful month for bond markets than the festive diary might suggest. Central-bank easing finally arrived in the US, but longer-dated yields refused to quietly drift lower, as investors continued to balance “rates are coming down” against “issuance isn’t”.

The Federal Reserve delivered the widely-telegraphed 25bps cut on 10th December, taking the fed funds target range to 3.50%–3.75%. The statement (and later the minutes) also highlighted a growing policy divide, with dissent both for a larger cut and for no cut at all; a neat reminder that the path from here is unlikely to be linear.

US Treasuries were choppy across the month. The 10-year yield ended December around 4.18%, modestly higher than late November, as the market digested the Fed’s move alongside ongoing fiscal/issuance concerns.

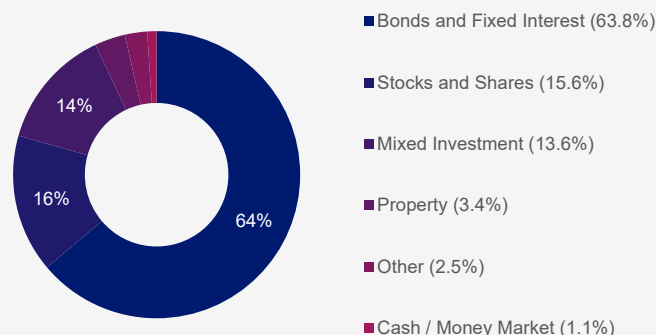
UK gilts saw a familiar mix of global rates momentum and home-grown noise but ultimately finished the month close to where they started. The 10-year gilt yield ended December around 4.47%, with intra-month moves continuing to be driven more by rate-duration than by credit fundamentals.

Credit spreads remained tight and default expectations stayed benign. For context, US high-yield option-adjusted spreads finished the month around 2.8%, still towards the tight end of history, meaning investors are being paid much more for taking duration than for taking credit risk.

Turning to the fund, we made no material portfolio changes during December. Over the year, the fund delivered a positive return of 8.28%, outperforming the reference benchmark by 0.24%, achieving this with zero long only equity exposure and significantly lower volatility. We have no doubt that volatility will continue to evolve throughout the coming year as capital markets assess the continuous flow of economic and geopolitical data. However, investors can be assured that our focus on real returns alongside measured volatility exposure will continue, as it has since launch.

Andrew Alexander
Fund Manager

ASSET ALLOCATION



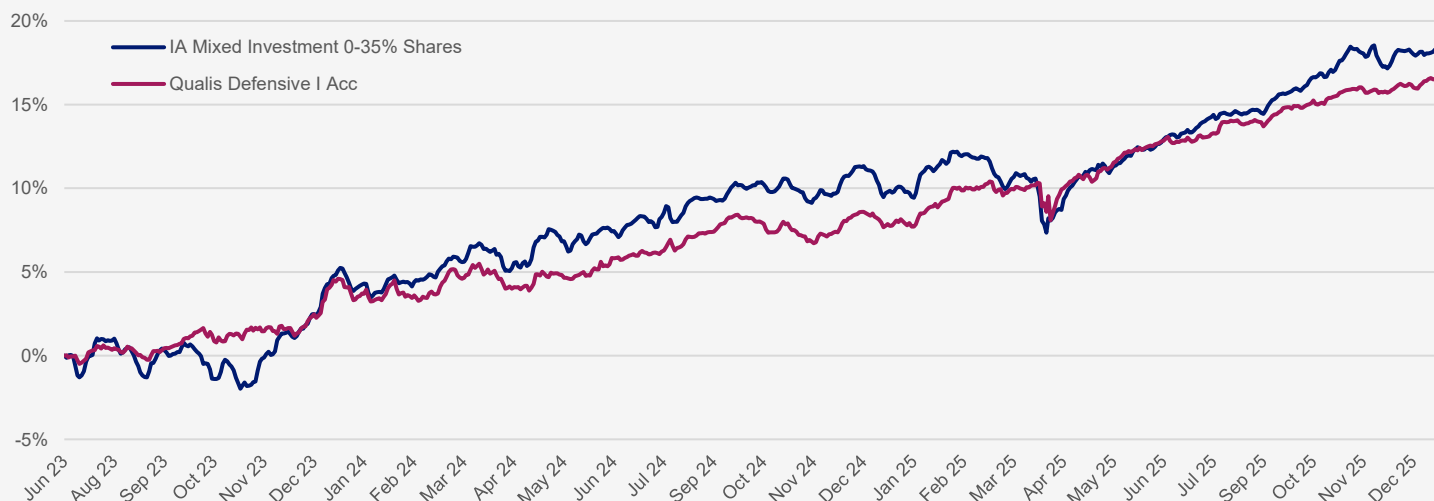
PORTFOLIO HOLDINGS

Targeted Absolute Return	27.4%
YFS Argonaut Absolute Return I GBP Acc	7.6%
Royal London Diversified ABS Fund Z Acc	7.5%
Premier Miton Tellworth UK Select Fund - Class A Acc	4.9%
M&G Global Target Return Fund GBP L Acc	4.9%
Artemis Atlas F GBP Acc	2.5%
£ Strategic Bond	26.4%
Aegon Strategic Bond Fund GBP S Acc	10.0%
L&G Dynamic Bond I Acc	7.5%
Man GLG Dynamic Income - IF H GBP Capitalisation	7.4%
SVS RM Infrastructure Bond Fund F Class Acc	1.5%
USD Government Bond	9.9%
iShares \$ Treasury Bond 3-7 Year ETF GBP Hedged Dist	9.9%
£ Corporate Bond	7.6%
Man GLG Sterling Corporate Bond Fund Institutional	7.6%
Other Bond	7.5%
Nomura Funds Ireland Corporate Hybrid Bond Fund F	7.5%
Global	5.1%
Man Global Credit Value ILF H GBP Acc	5.1%
Specialist Bond	4.9%
iShares \$ Floating Rate Bond UCITS ETF GBP Hedged	4.9%
Specialist	3.5%
Janus Henderson Diversified Alternatives Fund I Acc	3.5%
Property	3.4%
L&G UK Property I Acc (PAIF)	3.4%
Alt - Other	3.1%
YFS Kernow Equity Navigator Fund - Accumulation	3.1%
Deposits	1.1%
GBP Cash	1.1%

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	1.68	3.54	8.28	-	-	-
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 Qualis Defensive I Acc	8.28	3.24	-	-	-	-
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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