MGTS QUALIS DEFENSIVE FUND

AS AT 31 JULY 2026

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	**£123,017,938**
Launch Date	**19 June 2023**
Share Class	**MGTS Qualis Defensive I Acc**
ISIN	**GB00BQ66LH78**
OCF	**1.020%**
Yield	**3.480%**

MARKET COMMENTARY

Global bond markets fell in July as higher energy prices and resilient data revived concerns that inflation and interest rates would remain elevated. The Bloomberg Global Aggregate fell 1.90%, while developed-market government bond yields rose. The Federal Reserve left rates unchanged, but a divided decision and hawkish commentary encouraged investors to reassess the likely path of monetary policy.

The rise in yields was most pronounced at longer maturities. The US 10-year Treasury yield increased by 32 basis points to 4.74%, while the 30-year yield reached 5.27%. In the UK, the 10-year gilt yield ended the month around 5.061%, reflecting global inflation concerns and sensitivity to the domestic fiscal outlook.

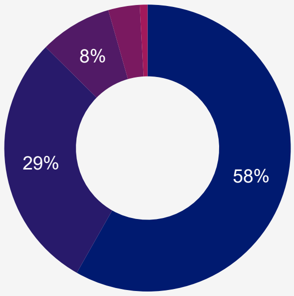
Credit remained resilient. Although high-yield spreads widened, shorter duration and higher income helped cushion the impact of rising government bond yields. Investment-grade credit was more exposed to the duration sell-off, with technology spreads affected by increasing debt issuance from AI hyperscalers.

We made no material allocation changes during the month. The portfolio retained its diversified blend of flexible and strategic bond managers, defensive capital strategies, short-duration credit, US high yield and an allocation to UK government bonds. This structure is designed to generate income while avoiding excessive dependence on either falling yields or continually tight credit spreads.

July demonstrated why flexibility remains important within fixed income. Attractive yields provide carry, but renewed inflation pressure can create capital volatility. We continue to favour a diversified approach to duration and credit risk, supported by alternative strategies whose returns are not reliant on traditional bond markets alone.

Fund Manager
Andrew Alexander

ASSET ALLOCATION



PORTFOLIO HOLDINGS

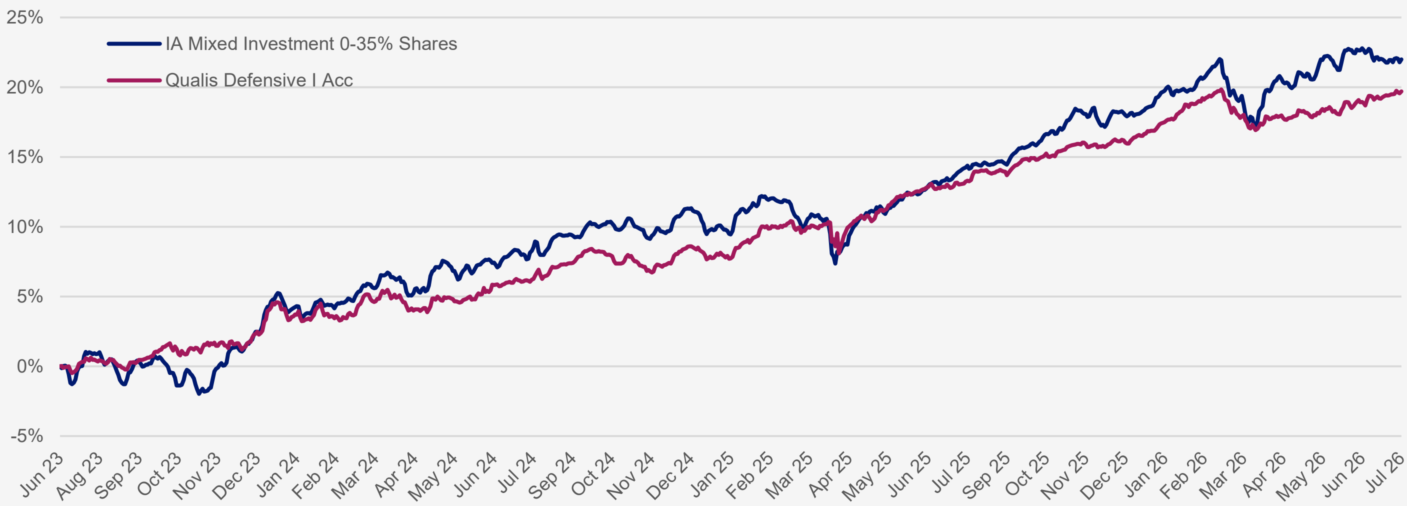
Targeted Absolute Return	**38.17%**
Royal London Diversified ABS Fund Z Acc	**8.98%**
SVS RM Defensive Capital Fund C GBP Acc	**8.86%**
YFS Argonaut Absolute Return I GBP Acc	**7.71%**
M&G Global Target Return Fund GBP L Acc	**5.18%**
YFS Kernow Equity Navigator Fund - Accumulation	**5.02%**
Artemis Atlas F GBP Acc	**2.42%**
£ Strategic Bond	**18.90%**
Man Dynamic Income IF H GBP Acc	**7.69%**
Aegon Strategic Bond Fund GBP S Acc	**5.84%**
L&G Dynamic Bond I Acc	**4.40%**
SVS RM Infrastructure Bond Fund F Class Acc	**0.98%**
Other Bond	**13.40%**
Nomura Funds Ireland Corporate Hybrid Bond Fund F	**7.26%**
iShares Broad $ High Yield Corp Bond UCITS ETF GBP	**6.14%**
UK Gilts	**8.02%**
iShares Core UK Gilts UCITS ETF GBP (Dist)	**8.02%**
£ Corporate Bond	**7.46%**
Man GLG Sterling Corporate Bond Fund Institutional	**7.46%**
Global	**5.15%**
Man Global Credit Value ILF H GBP Acc	**5.15%**
Property	**3.54%**
L&G UK Property I Acc (PAIF)	**3.54%**
Specialist	**3.02%**
Janus Henderson Diversified Alternatives Fund I	**3.02%**
Global Mixed Bond	**1.46%**
Guinness Global Dynamic Bond Fund Class F GBP	**1.46%**
Deposits	**0.87%**
GBP Cash	**0.87%**

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**
Qualis Defensive I Acc	1.60	0.80	5.65	19.28	-	-
IA Mixed Investment 0-35% Shares	1.71	1.84	6.65	20.89	10.91	31.88

Discrete Performance	**YTD**	**2025**	**2024**	**2023**	**2022**	**2021**
Qualis Defensive I Acc	2.46	8.28	3.24	-	-	-
IA Mixed Investment 0-35% Shares	2.85	8.02	4.37	6.06	-10.22	2.57



Source: Morningstar Direct as at 31 July 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.

IMPORTANT INFORMATION

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