

OBJECTIVE

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

KEY FACTS

Fund Manager	GWA Asset Management Limited
Comparator	IA Mixed Investment 0-35% Shares
Fund Size	£106,967,447
Launch Date	19 June 2023
Share Class	MGTS Qualis Defensive I Acc
ISIN	GB00BQ66LH78
OCF	0.98%

MARKET COMMENTARY

Developed market government bonds experienced significant movements during October. The yield on the US 10-year Treasury rose to its highest level since July, reaching approximately 4.286%, driven by investor reactions to Federal Reserve speeches and economic data, including strong labour market indicators. The 2-year Treasury yield also saw a rise, reflecting broader market expectations of future interest rate adjustments.

UK gilts also saw notable activity, with the 10-year gilt yield spiking to around 4.45%, its highest level in five months. This rise was influenced greatly by the UK Budget announcement, which included significant tax increases and higher borrowing figures, with the market's adjustment to these fiscal policies leading to increased yields, indicating investor caution and the anticipation of higher future borrowing costs.

We made no changes to the fund during the month, maintaining our low-interest rate sensitivity to ensure that volatility did not adversely affect the returns delivered.

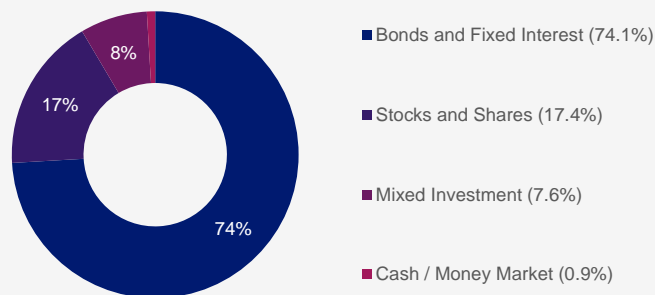
The outlook into the end of the year for bonds is cautiously optimistic, with developed economy central banks anticipating interest rate cuts, during both November and December. While global economic growth is expected to be sluggish, it remains positive and should continue to support the credit quality of corporate bonds, making them attractive due to their higher yields compared to government bonds.

Furthermore, with inflation appearing to be under control, the real yields on bonds are expected to remain attractive. This is particularly true for investment-grade bonds, which offer a good balance of risk and return.

At the time of writing, all eyes are fixed upon the US Presidential election. Whatever the outcome, it is likely that US government debt will continue to rise, increasing concern surrounding the sustainability of US fiscal policy. As such, we expect continued volatility in developed market government debt and therefore maintain our cautious approach in managing the fund.

Andrew Alexander
Fund Manager

ASSET ALLOCATION



FULL PORTFOLIO HOLDINGS

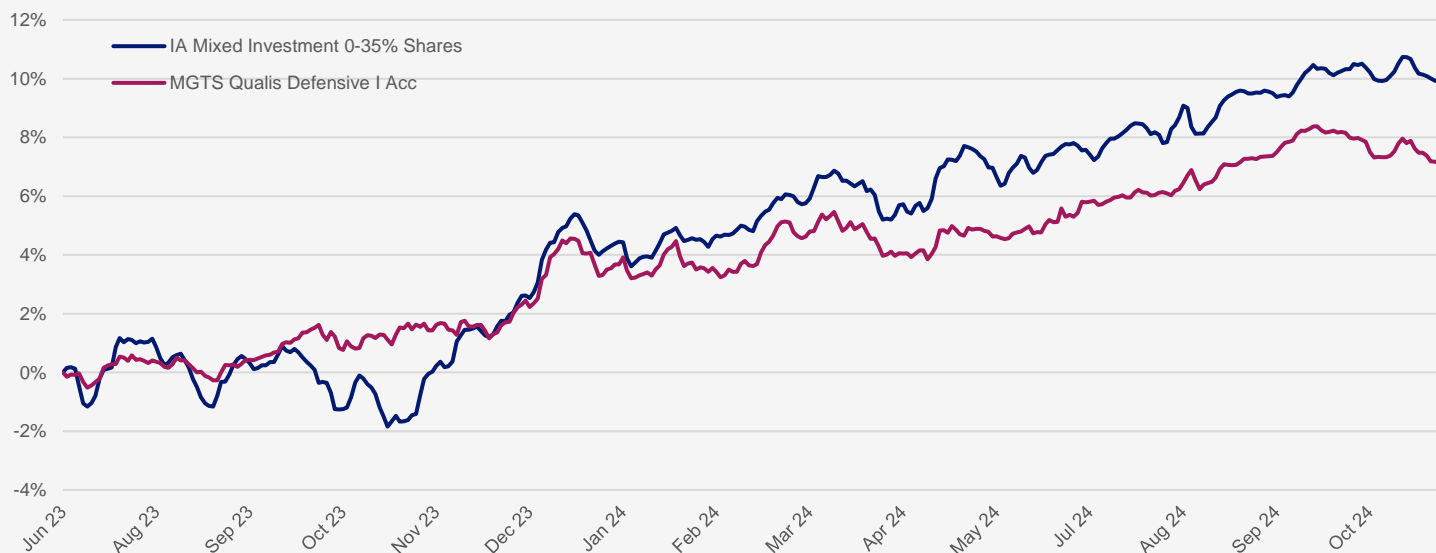
£ Strategic Bond	28.1%
Aegon Strategic Bond Fund GBP S Acc	10.1%
Man GLG Dynamic Income - IF H GBP Capitalisation	9.9%
L&G Dynamic Bond I Acc	5.2%
BlackRock Sustainable Sterling Strategic Bond Fund	2.5%
SVS RM Infrastructure Bond Fund F Class Acc	0.5%
Targeted Absolute Return	25.1%
TM Tellworth UK Select Fund - Class A Acc	7.6%
VT Argonaut Absolute Return Fund Class I GBP	7.5%
Royal London Diversified ABS Fund Z Acc	5.1%
M&G Global Target Return Fund GBP L Acc	5.0%
USD Government Bond	20.0%
iShares \$ Treasury Bond 3-7 Year ETF GBP Hedged	20.0%
£ Corporate Bond	9.5%
Man GLG Sterling Corporate Bond Fund Institutional	9.5%
UK Gilts	6.4%
iShares Core UK Gilts UCITS ETF GBP (Dist)	6.4%
Other Bond	5.0%
Nomura Funds Ireland Corporate Hybrid Bond Fund F	5.0%
Property	5.0%
iShares UK Property UCITS ETF GBP (Dist)	5.0%
Deposits	0.9%
GBP Cash	0.9%

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	0.80	2.82	5.55	-	-	-
IA Mixed Investment 0-35% Shares	0.81	3.59	11.18	-0.23	6.96	29.21

Discrete Performance	YTD	2023	2022	2021	2020	2019
MGTS Qualis Defensive I Acc	2.50	-	-	-	-	-
IA Mixed Investment 0-35% Shares	4.01	6.06	-10.22	2.57	3.98	8.80



Source: Morningstar Direct as at 31 October 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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