

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
AUM	TBC
Launch Date	19 June 2023
Share Class	MGTS Qualis Defensive I Acc
ISIN	GB00BQ66LH78
OCF	0.95%

MARKET COMMENTARY

In the words of the legendary footballer Jimmy Greaves, August 2023 was “a game of two halves”, although I doubt Mr Greaves was referring to capital markets at the time. After the positive year to date, markets took stock of the year ahead and began to ask questions.

Understanding that bond yields and prices move in opposite to one another and are a successful barometer of economic conditions, the first half of August was dominated by rising yields across both US and UK sovereign bonds.

Disconcertingly, this was focussed across the longer dated bonds of 10 years to maturity and greater, resulting in a phenomenon called a “bear steepener”, in which longer dated bonds increase at a greater rate than short-dated bonds, in itself an indicator of a slowing economy and a recessionary outlook.

As a result of this, the US and UK sovereign bond allocation within the fund was rotated to focus upon the short end of their particular yield curve, with the iShares \$ Treasury Bond 0-1yr ETF and the iShares UK Gilts 0-5yr ETF being brought into the fund from their longer dated counterparts.

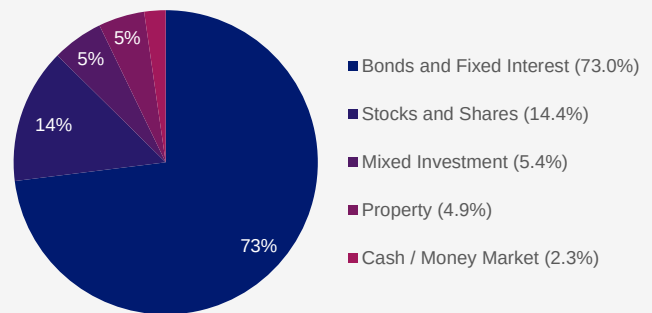
Looking forward, August ended with below consensus US economic data, adding to the belief that US monetary policy may be having the desired effects of slowing consumption. Q2 US GDP was revised down to 2.1% from an expected 2.5%, whilst private payroll data also came in below expectation, revealing a potentially slowing labour market.

Time will only tell with this premise, although the market is currently suggesting that a September interest rate increase is off the cards at least, providing some relief to many aspects of capital markets. However, to dismiss inflation as yesterday's news, we would suggest, is foolish. Inflation is already seen to be spiking across European countries, with Spanish inflation rising from 2.3% in July to 2.6% in August due, in part, to rising energy costs.

Central banks continue to be data dependent and the fine line they tread between gentle economic slowdown versus damaging recession is never straight. We will continue to be mindful of all data and react accordingly.

Andrew Alexander
Fund Manager

ASSET ALLOCATION



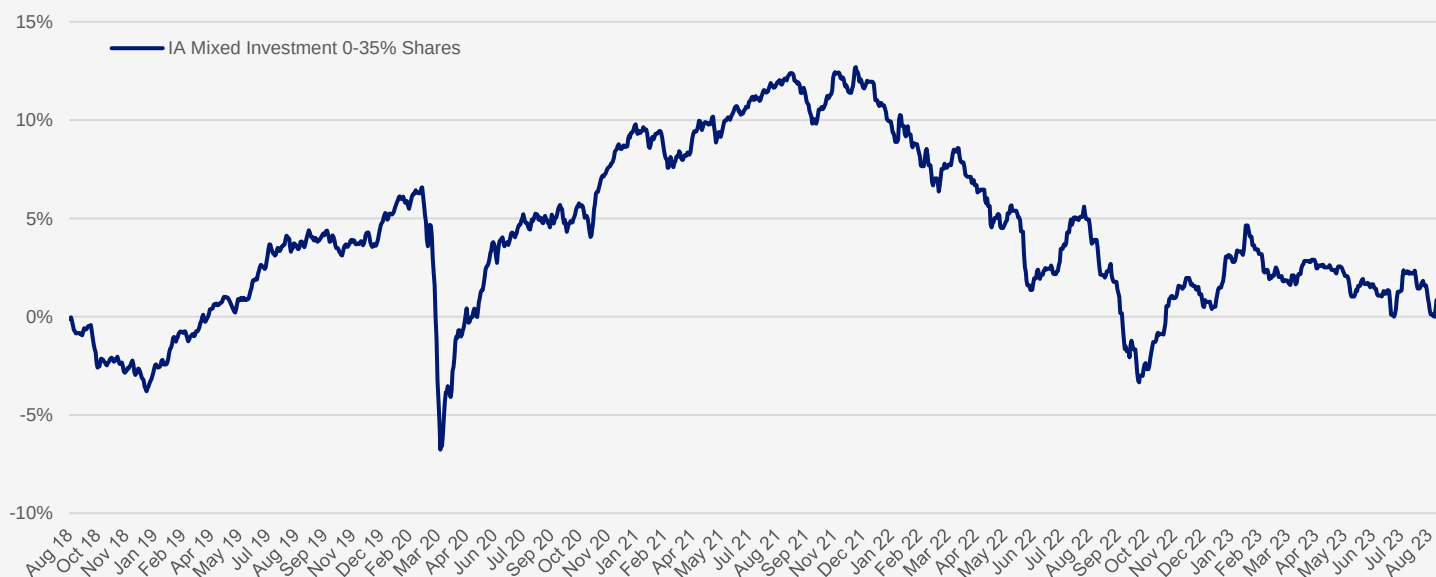
FULL PORTFOLIO HOLDINGS

Targeted Absolute Return	27.5%
Royal London Diversified ABS Fund Z Acc	7.5%
M&G Global Target Return Fund GBP L Acc	7.4%
GAM Star Fund Plc GAM Star Global Rates Class GBP	4.4%
JPM Global Macro Opportunities C Net Acc	3.0%
T. Rowe Price Funds OEIC Dynamic Global Bond Fund	2.7%
LF Ruffer Diversified Return Fund I GBP Acc	2.5%
USD Government Bond	11.9%
iShares Treasury Bond 0-1yr UCITS ETF USD Acc	11.9%
Global Flexible Bond-GBP Hedged	11.4%
Man GLG Dynamic Income - IF H GBP Capitalisation	8.5%
Aegon Strategic Bond Fund GBP S Acc	2.9%
£ Corporate Bond	11.3%
M&G Short Dated Corporate Bond Fund Sterling PP	7.7%
Man GLG Sterling Corporate Bond Fund Institutional	3.6%
GBP Government Bond	9.8%
iShares UK Gilts 0-5yr GBP Dist	4.9%
Abrdn Global Government Bond Tracker Fund N GBP	4.9%
£ Strategic Bond	8.1%
Merian Global Strategic Bond Fund I GBP Acc	5.2%
L&G Dynamic Bond I Acc	2.9%
Global High Yield Bond - GBP Hedged	7.3%
M&G Global Floating Rate High Yield Fund Sterling	7.3%
Property	4.9%
L&G UK Property Feeder I Acc	4.9%
GBP Flexible Bond	3.1%
BlackRock Sustainable Sterling Strategic Bond Fund	3.1%
Multistrategy GBP	2.5%
SEI Liquid Alternative Fund Hedged Sterling Wealth	2.5%
Deposits	2.3%
GBP Cash	2.3%

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	-	-	-	-	-	-
Discrete Performance	YTD	2022	2021	2020	2019	2018
MGTS Qualis Defensive I Acc	-	-	-	-	-	-
IA Mixed Investment 0-35% Shares	1.70	-10.22	2.60	3.98	8.80	-3.42



Source: Morningstar Direct as at 31 August 2023. 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

Margetts Fund Management Ltd is authorised and regulated by the Financial Conduct Authority. Past Performance is no guarantee of future performance. The value of an investment and the income from it can fall as well as rise and investors may get back less than they invested. Quoted yields are based on the previous 12 months distributions to investors and are not guaranteed. Future distributions may differ and will be subject to market factors. Risk factors should be taken into account and understood including (but not limited to) currency movements, market risk, liquidity risk, concentration risk, lack of certainty risk, inflation risk, performance risk, local market risk and credit risk. The information on this factsheet is intended to provide information only and should not be interpreted as advice. Margetts recommend that investors seek professional advice before making any investment to ensure that the product is suitable and can achieve their objectives. Investors should ensure that they have read and understood the Non-UCITS Retail Scheme Key Investor Information Document (NURS-KIID) and Supplementary Information Document (SID), which contain important information. A copy of these documents is available on the website or on request from Margetts Fund Management. Contact details are provided below. Margetts does not warrant that information will be error-free. There is no guarantee that the objective will be achieved, and capital is at risk.

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