

MGTS Downing Active Defined Return Assets Fund

Monthly commentary

November saw continued inflows into the fund, with £10.2m added during the month, bringing assets under management to £152.8m. The portfolio remained active with new positions initiated across UK, US, and Japanese markets, and opportunistically topping up existing positions, taking advantage of market weakness. The portfolio maintained a high average potential redemption yield, reflecting disciplined risk management.

The Fund remains 100% collateralised with UK Gilts, with average maturity just above 6 years and securing a strong funding spread over SONIA. UK gilts experienced further volatility in the month with mixed messaging in the lead up to the chancellor's second budget statement, but duration (interest rate) hedges within the gilt portfolio fully protected against these market swings as intended. We also took the opportunity to further diversify the number of individual GILTS by investing in the newly issued 4.125% 2031.

November saw global equity markets deliver mixed performance. Risk assets experienced early weakness on concerns of stretched AI valuations, giving way to a late-month rally, led by expectations of a FED rate cut in December. The UK was more volatile with early positive performance retreating on budgetary U-turns around tax rises, only to recover and end the month flat. European equities followed a similar trajectory except for the Swiss Market, which outperformed other DM indices this month. In Asia, Japan consolidated after recent strength ending down, and China remained pressured by ongoing property-sector concerns that may stretch into 2026.

S&P 500 (SPX): -0.48%, **Russell 2000 (RTY):** +0.78%, **FTSE 100 (UKX):** +0.03%, **Euro Stoxx 50 (SX5E):** +0.07%, **Swiss Market Index (SMI):** +4.48%, **Nikkei 225 (NKY):** -3.90%, **Hang Seng Index (HSI):** -0.54%

The VIX trended down, opening at 18.06% and closing at 16.35% over the month. Volatility spiked intra-month to 28.7%, as weak AI sentiment and mixed messaging in delayed US payroll data created a risk-off tone, only to dissipate at month-end on more dovish FED speak.

Key facts

As at 30 November 2025

Managers:

Huw Price, Paul Adams

Launch date: 3 February 2025

Fund type: UK UCITS

Fund size: £152.8m

Share classes:

F-class (Acc):

Minimum Investment: £50m

OCF: 0.35%

NAV: 104.51p

ISIN: GB00BM8J6150

SEDOL: BM8J615

I-class (Acc):

Minimum Investment: £100k

OCF: 0.60%

NAV: 104.29p

ISIN: GB00BM8J6044

SEDOL: BM8J604

Currency: GBP

Dealing: Daily

Comparator index:

50% Solactive UK Large Cap (ex IT) NTR Index; 50% Solactive GBS Developed Markets (ex UK) NTR Index

IA sector: Specialist

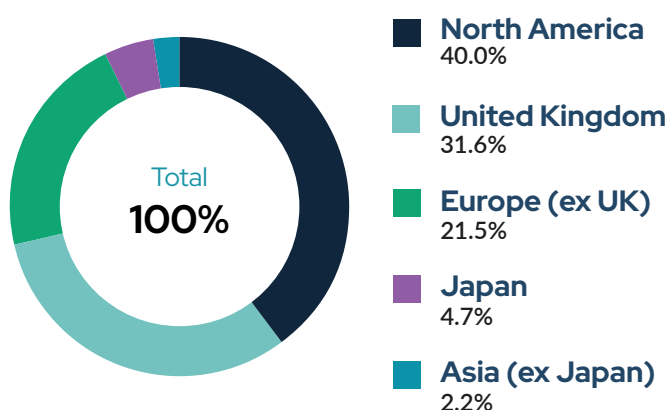
Fund overview

Over the month the fund returned -0.05%.

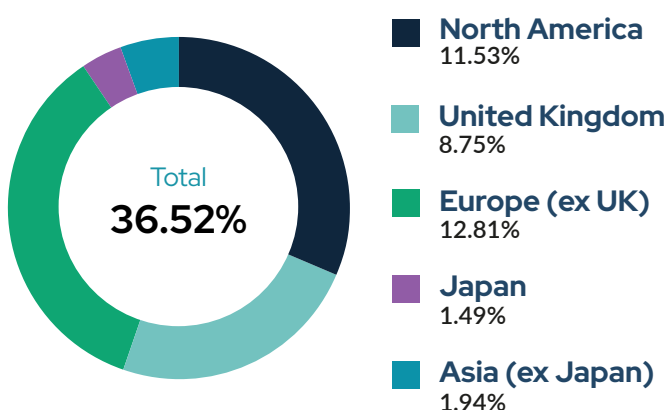
The Fund continues to perform as expected, offering resilience to broader equity falls due to maintaining the 41.9% cover-to-capital-loss, whilst leaning into bouts of volatility to actively manage positions and improve performance. The portfolio has a money weighted coupon of 9.07%, with 97% of the EQD swaps in-the-money. The fund is fully at scale and well positioned going into the end of the year, remaining focused on harvesting strong risk-managed returns, as the portfolio matures and the inherent value of the optionality starts to prove itself in the NAV.

Past performance is not a reliable indicator of future performance.

Equity market exposures



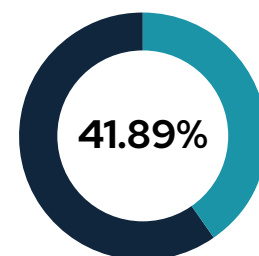
Equity market exposures (Delta)



Credit risk



Average cover to capital loss



Top 10 holdings

Holdings	Market Exposure	Defined Return ¹	Weighting
Gilt-Backed Autocall	UK/EU	8.72%	4.93%
Gilt-Backed Autocall	US/EU	8.58%	4.82%
Gilt-Backed Autocall	UK/EU/US	9.78%	4.64%
Gilt-Backed Autocall	UK/US	8.13%	4.59%
Gilt-Backed Autocall	UK/US	8.50%	4.37%
Gilt-Backed Autocall	UK/US	8.95%	3.79%
Gilt-Backed Autocall	EU/JPN	10.40%	3.72%
Gilt-Backed Autocall	UK/US	8.56%	3.67%
Gilt-Backed Autocall	UK/US	8.65%	3.63%
Gilt-Backed Autocall	US/EU	9.50%	3.47%

¹ Simple annual return.

Forward looking scenario analysis and intrinsic value

These scenarios are an estimate of future performance based on current equity and derivative market conditions in the portfolio composition and are subject to change. Actual performance depends on factors such as: how long you are invested and prevailing market conditions. The Fund aims to deliver long term consistent and predictable returns over a holding period of 5-6 years.

Market Move	-30%	-20%	-10%	0%	10%	20%	30%
3 months	-21.91%	-10.54%	-2.65%	2.10%	3.77%	4.58%	5.02%
1 Year	-17.59%	-5.52%	3.07%	7.85%	9.58%	10.29%	10.66%
2 Years	-12.79%	1.51%	10.76%	17.97%	18.60%	18.66%	18.57%
3 Years	-6.90%	9.25%	20.56%	29.03%	28.95%	28.42%	27.92%

Future performance may also be subject to changes in taxation. The value of investments can go down as well as up, and you may not get back the full amount invested.

Source: Downing at 30/11/2025. The Fund's actual return may differ from the scenarios shown above and are subject to daily price and portfolio composition movements.

Important Information For professional/informed investors only.

This document has been produced for information only and represents the views of the fund managers at the time of writing. It should not be construed as Investment Advice and does not constitute or form part of any offer or invitation to buy or sell shares. It should be read in conjunction with the Prospectus and Key investor information document (KIID). An investment decision should not be contemplated until the risks are fully considered and we recommend that you take investment advice. Capital at risk. The value of investments can fall as well as rise. You may get back less than you invested. Downing LLP is authorised and regulated by the Financial Conduct Authority (Reference No. 545025). Registered in England and Wales (No. OC341575). Registered Office: 10 Lower Thames Street London EC3R 6AF.

Risk Considerations

The following risk factors are relevant to the overall risk profile of the Sub-fund. A full description of risk warnings is provided in the prospectus, which is available on our website, or by requesting a copy. Risks associated with the use of derivatives (FDI) for investment purposes are different from, or possibly greater than, the risks associated with investing directly in securities and other traditional investments. The use of FDI requires an understanding of both the underlying reference instrument and the FDI itself. There is no assurance that any derivative strategy used by a Fund will succeed and derivatives can lead to significant losses. Defined Return Strategies (DRS) can be complicated and not readily available. There may be times and market conditions where opportunities to invest in DRS are not present at a fair price. In addition, the value of DRS is more complicated than other FDIs and therefore there can be a higher level of price uncertainty or available liquidity. DRS are usually designed to provide some protection against falls in the underlying reference asset. This means that the price of the DRS will typically fall by less than the underlying asset in most circumstances. However, there may be times when barriers that provide protection are at a higher risk of being breached. When this occurs then there is a risk that DRS may fall faster, causing greater losses, than the underlying reference asset.