# MGTS Downing Diversified Opportunities Fund

Downing

## Fund Overview

A global opportunities fund with strong risk-adjusted returns, targeting attractive yield and defensive compounding growth using a hybrid of traditional and alternative assets. Seeking alternative sources of real return with low correlation to traditional equity and fixed income benchmarks.

## Commentary

The Fund returned **+0.5%** in July, with structural underweights to US dollar assets, US mega-cap technology, and investment-grade bonds proving advantageous amid AI valuation concerns, rising oil prices, and sharp regional rotations.

Equity Alternatives were the standout contributor. Greencoat UK Wind rose +10% following analyst upgrades, The Renewables Infrastructure Group gained +4%, and UK REITs performed well — Tritax Big Box +5% and LondonMetric +4% — as gilt yields fell in the second half of the month. Phoenix Spree Deutschland continued its managed wind-down, returning capital at NAV.

European Defence surged on NATO spending commitments, with Rheinmetall +15%, BAE Systems +14%, and Babcock +18%. Hanwha Aerospace and AeroVironment were exceptions, each declining on idiosyncratic factors.

Gold Miners were a modest drag overall, with gains in Northern Star (+5%) and Franco-Nevada (+2%) offset by weakness across Agnico Eagle, Endeavour, Hochschild, and AngloGold as rising real yields weighed on the sector.

Korean equities were volatile but actively managed. KB Financial was switched into Hana and Mobis; Kia was rotated into Hyundai Motor Preference shares at a 50% discount and 5.2% yield; and SK Inc was switched into SK Square near the nadir of its discount. Sony had a strong month, T&D Holdings and M3 were exited ahead of declines, and Ayala Corp was sold with proceeds redeployed into Indofood. Adyen gained +9% and Vista Energy +12%. Rotation into US GARP continued with additions of Mastercard and Procter & Gamble.

Hedge assets were a modest drag — BH Macro fell 3% amid trend reversals — though RIT Capital rose +12% on active discount management and Ruffer was broadly flat. SPX puts provided tail-risk coverage; Nasdaq put exposure is being considered.

Fixed income detracted modestly, with US Treasuries and UK corporate bonds declining as yields rose. Debt alternatives — AGNC, Sequoia, and TwentyFour Income — provided income support. Cocoa and Wheat gained on supply disruptions before a late-month reversal. The Fund maintains a balance of quality defensive assets and selective exposure to extreme valuation opportunities.

## Key facts

*As at 31 July 2026*

**Managers:**
Jon Gumpel, Paul Adams, Renato Guerrieri

**Launch date:** 31 August 2022

**Fund type:** OEIC, UK Domicile

**Fund size:** £52.3M

**Share classes:**

**I-class:**
**MGMTS fee:** 0.70%
**Capped OCF:** 0.90%
NAV: 124.99p
**Accumulation Shares GBP, ISIN:**
GB00BVR0B955
**Income Shares GBP, ISIN:**
GB00BVR0BC84

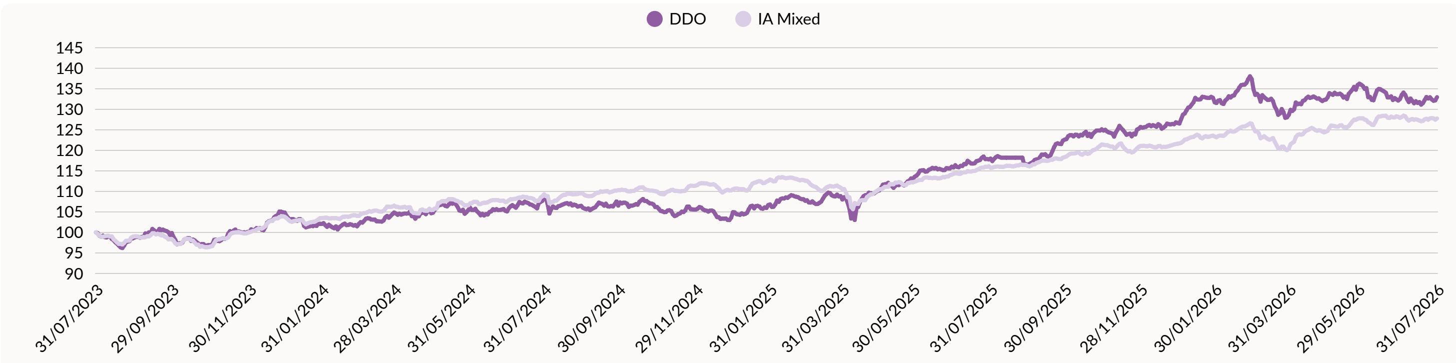
**F-class:**
**MGMTS fee:** 0.40%
**Capped OCF:** 0.60%
NAV: 125.09p
**Accumulation Shares GBP, ISIN:**
GB00BVR0BB77
**Income Shares GBP, ISIN:**
GB00BVR0BD91

**IA sector:** Mixed Investment 20-60% Shares

**Currency:** GBP

**Authorised Corporate Director:**
Margetts Fund Management Limited

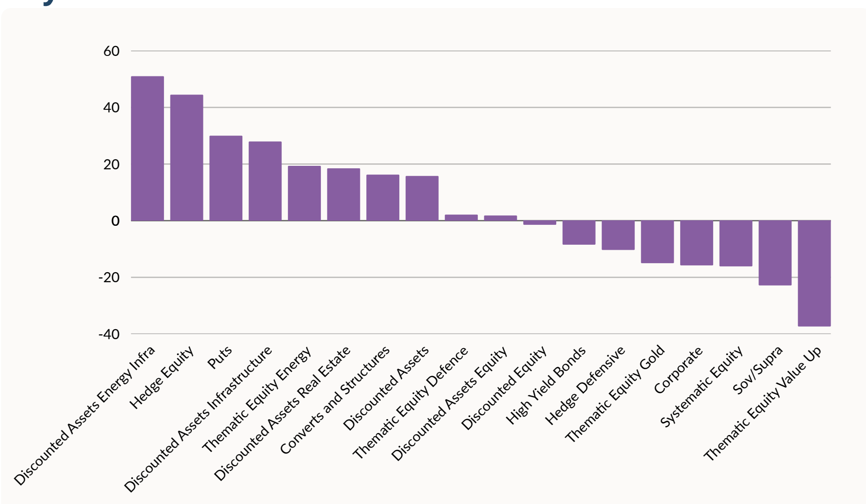
## Performance vs IA Sector




## Fund Performance

| Cumulative % | 1m | 3m | 1y | 3y |
|---|---|---|---|---|
| Fund return | 0.41 | 0.47 | 12.71 | 32.95 |
| IA Mixed 20-60 Equity | -0.44 | 2.70 | 10.34 | 27.74 |
| **Calendar Year %** | **2026** | **2025** | **2024** | **2023** |
| Fund return | 4.95 | 22.29 | -1.23 | 1.73 |
| IA Mixed 20-60 Equity | 5.05 | 10.31 | 6.07 | 6.81 |

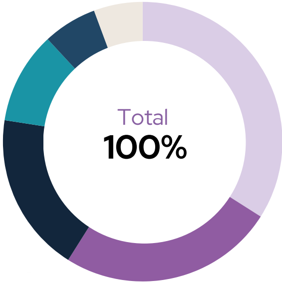
## Key Return Drivers




Past performance is not a reliable indicator of future performance. Capital is at risk.

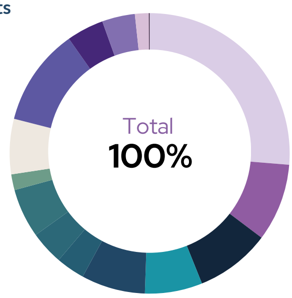
## Asset Type

- Equities 34.00%
- Equity Alternatives 24.98%
- IG Bond 18.51%
- Hedge Assets 10.64%
- Debt Alternatives 6.24%
- Cash 5.66%




## Geographical Allocations

- Global 26.30%
- United Kingdom 8.97%
- North America 8.64%
- Europe 6.64%
- Korea 7.39%
- Japan 3.32%
- Asia 3.87%
- Cash GBP 5.66%
- Emerging Markets 1.82%
- GBP 6.37%
- USD 11.25%
- NOK 4.29%
- AUD 3.80%
- BRL 1.60%
- CHF 0.09%




*Countries and regions denote the domiciles of positions held and currencies represent fixed income currency.*

## Diversification: Key Correlation Metrics

| Global Equities | | Fixed Income | | Commodities | | Risk |
|---|---|---|---|---|---|---|
| US Large Cap | Developed Large Cap ex US | Core US Agg | US 7-10yr T-bonds | Gold | Broad Commodity | Equity Volatility |
| 0.36 | 0.35 | 0.08 | 0.03 | 0.20 | 0.08 | -0.33 |

Correlation vs benchmarks: 2Y daily log returns, Pearson, information-time aligned, as of 31/07/2026

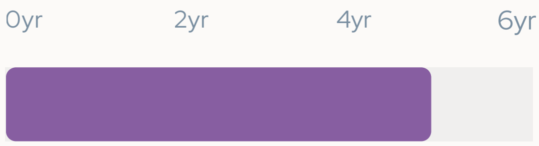
## Top 5 Positions by Asset Class

| Equity | Fixed Income | Alternatives |
|---|---|---|
| BIOMARIN PHARMACEUTICAL ORD | UST 4.250 03/15/27 | BH MACRO CF |
| PERSHING ORD | AUGV 4.500 04/21/33 | RUFFER INVESTMENT PRF |
| JPMORGAN US SMALLER INVEST TRUST CF | UST 0.125 07/15/31 | HICL INFRASTRUCTURE ORD |
| ROYAL GOLD ORD | NOGV 3.000 08/15/33 | BIOPHARMA CREDIT ORD |
| SK SQUARE ORD | LLOY 6.500 09/17/40 MTN | GREENCOAT UK WIND ORD |

## Fixed Income Duration

**Weighted Average:**

**4.99 years**




Medium duration positioning

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 31/07/2026. 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.