

MGMTS Downing Diversified Opportunities Fund



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

DDO returned -2.55% in September, which proved to be a difficult month across defensive asset classes. Equities were mixed in September, with US tech leading gains – the Nasdaq rose +3.2% and the S&P 500 edged down -0.45% – while European and UK markets lagged, with the Euro Stoxx 50 down -2.35% and the FTSE 100 off -2.02%; the Nikkei 225 posted a modest +0.67% gain.

Bond yields sold off sharply across the board, driven by persistent inflation fears, elevated oil prices, and mounting fiscal concerns: the US 10Y Treasury yield rose ~49bps to 5.29%, the UK 10Y Gilt climbed ~20bps to 5.42%, and the German 10Y Bund moved ~24bps higher to 3.59%, with the global bond rout pushing 30-year Treasury yields to their highest level since 2002.

The macro backdrop was dominated by energy-driven inflation anxiety. Brent crude surged ~18% through the month on Middle East tensions, prompting the Fed to hike rates for the first time since 2023, while the Bank of England scrapped long-end gilt sales as part of a QT overhaul to ease pressure on the long end.

The Value Up Korea sleeve was mixed. Samsung C&T fell sharply despite anticipated bumper earnings in October, while SK Square was the fund's strongest individual performer. Both are at deep discounts but SK look like they are planning more shareholder friendly actions with the cash waterfall to come.

The Gold sleeve was the largest detractor in aggregate. Barrick and Agnico Eagle fell as rising real yields and elevated energy prices weighed on precious metals, while Northern Star rose 6.5% confirming its special situation status. The Defence sleeve detracted, with Hanwha, Rheinmetall and BAE Systems lower on order delay expectations. The Discounted Infrastructure sleeve was a positive standout, with TRIG +7.0%. We have increased our exposure to the UKXNKY autocall at a yield approaching 13%. We also switched our Hyundai Heavy position out of the equity and into the convertible where the risk/return looks attractive. Our exposures to US, Norwegian and Australian bonds provided a solid base and our Brazilian holdings marked time ahead of the election. Markets are having to cope with interest rate pressure amid signs that the US is not in control of bond yields or the oil price which increases the scope for strain. The US economy is being run hot, so the signs of stress are mostly elsewhere so far.

Key facts

As at 30 September 2026

Managers:

Jon Gumpel, Paul Adams, Renato Guerrieri

Launch date: 31 August 2022

Fund type: OEIC, UK

Domicile

Fund size: £54.0M

Share classes:

I-class:

MGMTS fee: 0.70%

Capped OCF: 0.90%

NAV: 126.31p

Accumulation Shares GBP, ISIN:

GB00BVR0B955

Income Shares GBP, ISIN:

GB00BVR0BC84

F-class:

MGMTS fee: 0.40%

Capped OCF: 0.60%

NAV: 126.49p

Accumulation Shares GBP, ISIN:

GB00BVR0BB77

Income Shares GBP, ISIN:

GB00BVR0BD91

IA sector: Mixed Investment

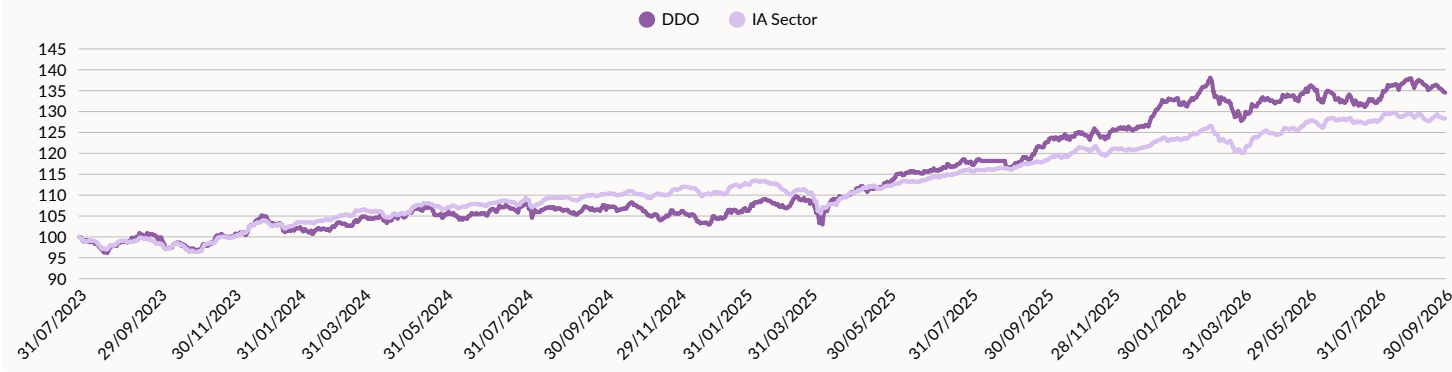
20-60% Shares

Currency: GBP

Authorised Corporate Director:

Margetts Fund Management Limited

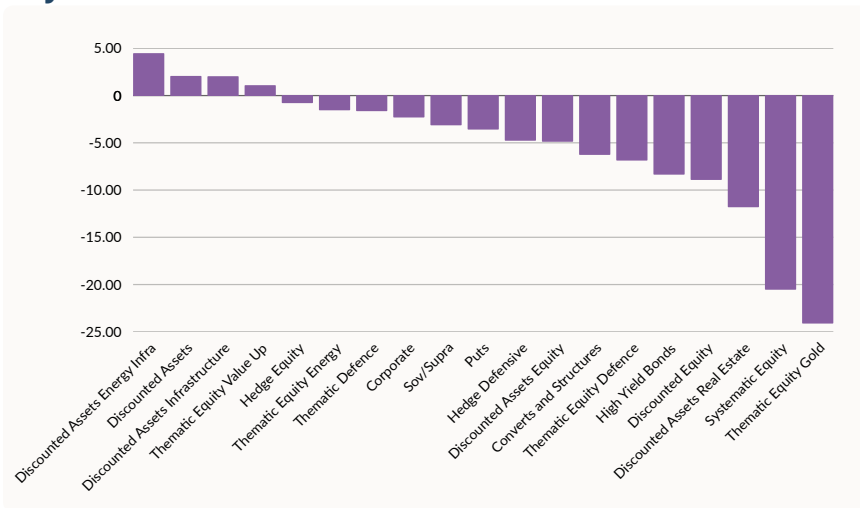
Performance vs IA Sector



Fund Performance

Cumulative %	1m	3m	1y	3y
Fund return	-2.55	1.57	9.71	34.75
IA Mixed 20-60 Equity	-0.85	0.05	8.44	30.50
Calendar Year %	2026	2025	2024	2023
Fund return	6.20	22.29	-1.23	1.73
IA Mixed 20-60 Equity	5.56	10.31	6.07	6.81

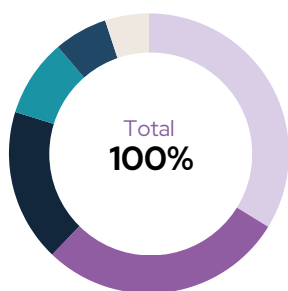
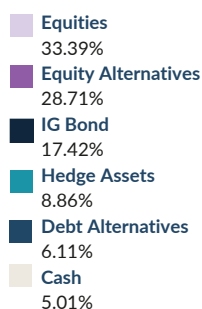
Key Return Drivers



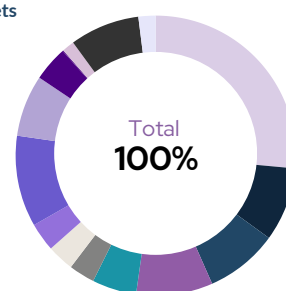
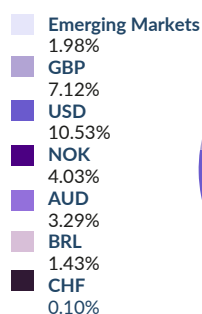
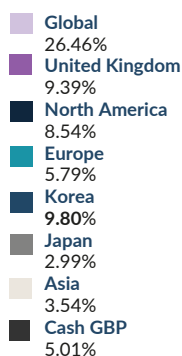
Past performance is not a reliable indicator of future performance. Capital is at risk.

Factsheet September 2026

Asset Type



Geographical Allocations



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
0.38	0.37	0.16	0.11	0.24	0.06	-0.36

Correlation vs benchmarks: 2Y daily log returns, Pearson, information-time aligned, as of 30/09/2026

Top 5 Positions by Asset Class

Equity	Fixed Income	Alternatives
PERSHING FND ORD	UST 4.250 03/15/27	BH MACRO FUND ORD
BARRICK MINING ORD	AUGV 4.500 04/21/33	MS 6Y UKX/NKY AUTOCALL
PRUDENTIAL ORD	UST 0.125 07/15/31	RUFFER INVESTMENT PRF
SK SQUARE ORD	NOGV 3.000 08/15/33	HICL INFRASTRUCTURE ORD
AGNICO EAGLE ORD	LLOY 6.500 09/17/40 MTN	TRITAX BIG BOX REIT ORD

Fixed Income Duration

Weighted Average:

4.82 years

0yr 2yr 4yr 6yr



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 30/09/2026. 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.

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

Factsheet September 2026