

BONDS

progeny Asset Management

MGTS Progeny Dynamic Bond Fund

Progeny Asset Management Ltd is authorised and regulated by the Financial Conduct Authority.

This document is directed at professional advisers and should not be relied upon by retail investors. The value of investments, and the income from them, may fall or rise and investors may get back less than they invested.

MGTS Progeny Dynamic Bond Fund

Objective

The investment objective of the Fund is to provide income. We aim to achieve this through dynamic exposure to a range of global bonds across any economic sector and geographic area. The dynamic approach is defined as using judgement to forecast future opportunities or threats and make periodic adjustments to the asset allocation and underlying investment selections.

To provide the above exposure, a minimum of 70% of the Fund will be invested in active and/or passively managed collective investment schemes.

Policy

A dynamic approach is used to provide exposure to a range of global bonds across any economic sector and geographic area.

A minimum of 70% of the Fund will be invested in collective investment schemes (which may include schemes operated by the Authorised Corporate Directors (ACD), associates or controllers of the ACD).

The Fund may also invest directly (maximum of 30%) in transferable securities, such as bonds and investment trusts. Overall exposure to Sterling Denominated (or hedged back to Sterling) bonds, either held directly or indirectly through other assets such as collective investment schemes, will be a minimum of 80%.

The Fund will be fully invested except for a cash amount to enable ready settlement of liabilities (including redemption of units) and efficient management of the Fund both generally and in relation to its investment objective. This amount will vary depending upon prevailing circumstances and would not normally exceed 10% of the total value of the Fund.

The Fund will be actively managed. This means that the manager will use their expertise to select investments, rather than tracking a stock exchange or index.

Eligible expenses will be charged to the Fund's capital account. This will increase the distributable income by that amount and reduce the capital by a similar amount. This may constrain capital growth.

The Fund at a glance

| | |
|-------------------------------|------------------------------|
| Fund Type | Fund of Funds |
| OEIC/NURS | NURS |
| Asset Class | Bonds |
| Sector | IA GBP Strategic Bond |
| Fund Base Currency | GBP |
| ISA Eligible | Yes |
| Launch Date | 28 February 2022 |
| Valuation Point | 08:30 am (London) |
| Dealing Frequency | Daily |
| Distribution Frequency | Bi-Annually |
| Investment Manager | Progeny Asset Management Ltd |
| ACD | Margetts Fund Management Ltd |
| ISIN (Acc) | GB00BM8FIX01 |
| ISIN (Inc) | GB00BM8FIY18 |

Introducing our investment proposition

At Progeny Asset Management, we have created a range of funds that are based around our core investment beliefs.

Capitalism creates wealth

Markets provide investment opportunities

Risk & Return are related

Diversification is a good risk management tool

In terms of investment execution, we also adhere to the following principles:



Principle 1: Get the asset mix right

We start with getting the asset apportionment fine-tuned across our funds. The choice and adherence to our long-term investment policy and asset allocation, is the core driver of portfolio returns and therefore risk. Choosing the right mix, over the right time and for the right risk appetite, is the best means to deliver expected returns.

Principle 2: Diversify broadly

The next important step is to ensure that an investor is not overly exposed to one sector/fund/geography because the only certainty in financial markets is their uncertainty. Taking an approach that doesn't chase trends means investors take advantage, wherever they can, of the diversification benefits on offer. We believe that owning a well-diversified portfolio is critical to long term portfolio success and is a method of taking an element of control over market changes that are essentially uncontrollable, such as natural disasters, wars, political changes etc.

Principle 3: Manage financial costs

Investors are often unaware of the effects ongoing and compounding fees have on returns and the severe deductions over the long-term. These include the effects of inflation on purchasing power; the cost of tax; and the significant 'all-in' cost of investing (e.g. ongoing charges and turnover costs). Controlling costs within the fund has significant benefits, especially given the multiplying effects over the life-time of an investment.

Principle 4: Control emotions

Behavioural finance studies have revealed that investors suffer a number of wealth damaging psychological preconceptions and biases.

The emotional impacts of regret, pride, greed and panic tend to result in trying to guess market timing and the excessive taking or avoidance of risk. Poor investment behaviour is likely to have a negative effect on investment returns. We take the emotion out and base decisions on quantitative analysis rather than making behavioural choices.

Principle 5: Rebalance the portfolio

Rebalancing is where a portfolio is brought back to its originally designed asset allocation when market performance has caused it to change. The purpose of rebalancing is to control risk, and to ensure that investors are not exposed to more risk than they agreed. Rebalancing can be achieved either by buying and selling funds, or by directing new money into the right asset to achieve the original balance.

Our Investment Process in Action

Progeny Asset Management Fund Building Blocks

We have created a range of equity and bond funds which, when combined, help planners construct cost effective, risk managed solutions, with a focus on performance and providing a smooth investment journey.



Dynamic Quantitative Approach

Using the UK fund universe as an example, our Dynamic quantitative process works in the following way.



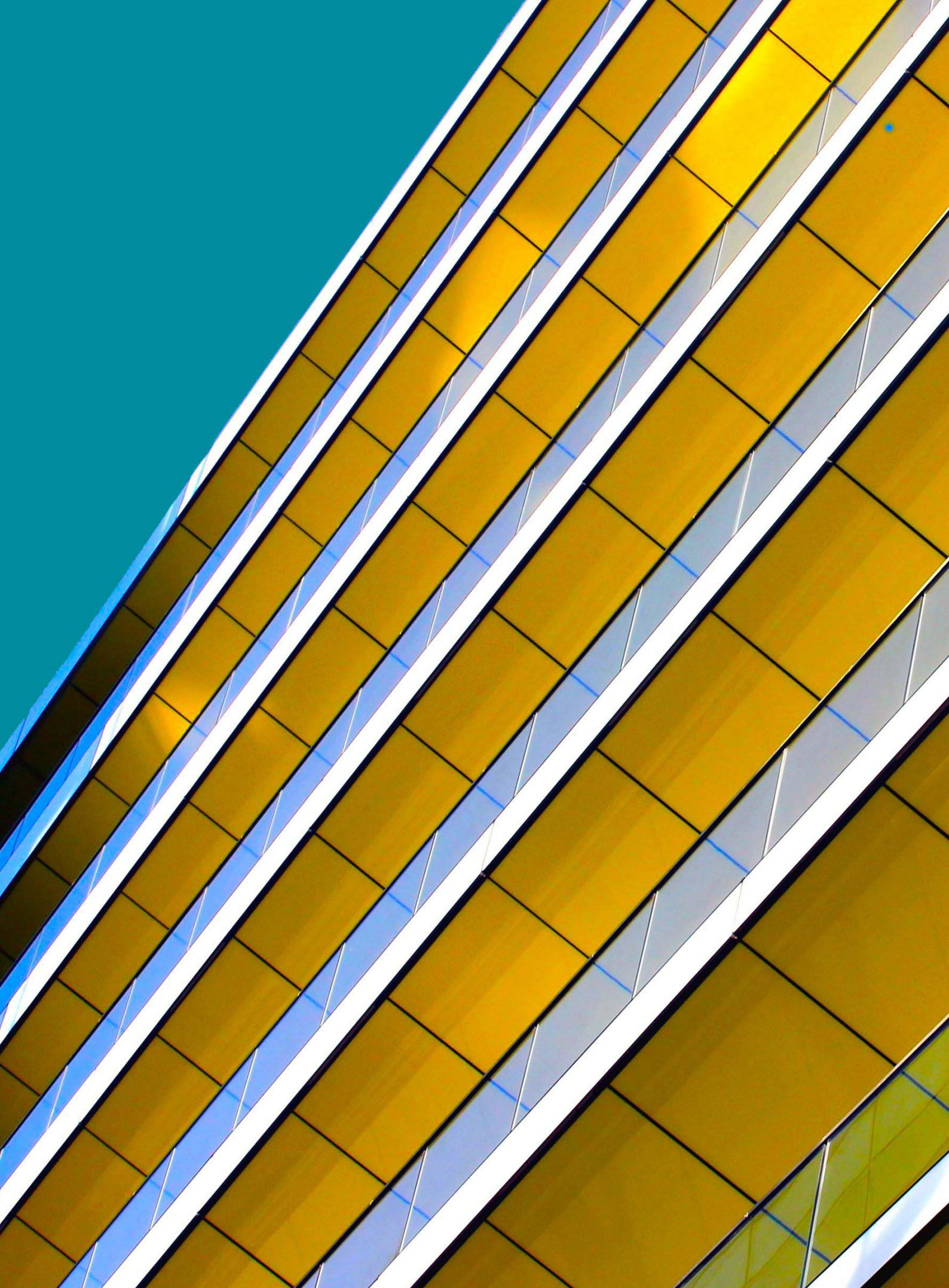
Dynamic Qualitative Approach

- **Initial fund manager meeting**
- **Assess process, resources, style, risk controls, liquidity**
- **Deep dive due diligence on the fund house**
- **Research note produced on every fund**
- **Quarterly review of funds to monitor performance**
- **Manager meeting every 12 months to confirm positioning**
- **Focus on correlation between funds and blend of style**

Important Risk Information

1. The Fund will invest in a diverse range of instruments, predominantly in collective investment schemes for a given strategic asset allocation representing a diversified global (including UK) bond exposure that will be monitored and reviewed. The value of bonds can be affected by daily stock market movements. Other influential factors include inflation and interest rate expectations, credit ratings, maturity profile, economic news, and significant corporate events.
2. The Fund invests in a number of funds and investment trusts at the investment manager's discretion. Fund and underlying investment diversification is achieved across a wide range of investments which may include both investment grade and non-investment grade bonds which in aggregate allow the manager to best target the Fund's investment objective and at all times in the context of a diversified portfolio of investments.
3. As well as targeting its primary objective of providing income, the Fund is available in accumulation shares which roll up the capital gains and income components of fund returns and provide exposure to the Fund's low-risk returns. The Fund is not invested with any regard to the individual after-tax returns of individual investors.
4. The Fund may be exposed to currencies other than the base currency and is therefore subject to currency fluctuations which could add to the rise and fall in value of investments.
5. The Fund adopts a dynamic investment approach. Periodic rebalancing among different themes may incur greater transaction costs than a fund with static allocation strategy and more volatile than a fund which invests in more diversified types of investment.
6. The Fund's investments in emerging and less developed markets which may be subject to significant risks such as increased volatility, ownership and custody risks, political and economic risks, market and settlement risks, legal and taxation risks etc.
7. In respect of the distribution units, the manager will declare and pay bi-annual distributions. However, the distribution rate is not guaranteed. Distribution yield is not indicative of the return of the Fund. Distribution may be paid from capital of the Fund. Investors should note that where the payment of distributions are paid out of capital, this represents and amounts to a return or withdrawal of part of the amount you originally invested or capital gains attributable to that and may result in an immediate decrease in the value of units.
8. Investors should ensure that they have read and understood the Non UCITS Retail Scheme Key Investor Information Document (NURS-KII) and Supplementary Information Document (SID), which contain important information. A copy of these documents is available from the Margetts Fund Management website along with the Supplementary Information Document (SID).
9. A full description of risk warnings is provided in the prospectus, which is available on our website, or by requesting a copy.

Investors should not make any investment decision solely based on this document. Please read the relevant offering document carefully for further Fund details including risk factors.





Important Information

This document is designed solely for use by authorised and qualified professional financial advisors and should not be relied upon by retail investors. It is directed only at persons resident in the UK.

The information contained in this document is not to be regarded as an offer to buy or sell or the solicitation of any offer to buy or sell securities in any jurisdiction where such an offer or solicitation is against the law, or to anyone to whom it is unlawful to make such an offer or solicitation, or if the person making the offer or solicitation is not qualified to do so.

The information in this document is general in nature and does not constitute legal, tax, or investment advice.

Potential investors are urged to consult their professional advisers on the implications of making an investment in, holding or disposing of shares and /or units of, and the receipt of distribution from any investment.

The Authorised Corporate Director for MGTs Progeny Dynamic Bond Fund is Margetts Fund Management (MGTs). Progeny Asset Management Limited is a distributor of MGTs Progeny Dynamic Bond Fund OEIC. This is a Sub-fund of the MGTs Progeny Fund. The Sub-funds are segregated by law and investors should view each Sub-fund as a separate investment entity meaning the liabilities of one Sub-fund do not count as liabilities of another Sub-fund.

For further information on the fund's investment policy, please refer to the Key Investor Information Document ("KIID"). The KIID and the Prospectus for the fund(s) is available from Progeny Asset Management via our website <https://theprogenygroup.com/>.

This document is issued by Progeny, which is a trading style of Progeny Asset Management Limited, which is authorised and regulated by the Financial Conduct Authority.

Progeny

London

Leeds

Edinburgh

theprogenygroup.com | [@theprogenygroup](https://twitter.com/theprogenygroup) | +44 344 225 0660

Progeny is a trading style of Progeny Asset Management Limited and is used by various companies within the Progeny group of companies. Progeny Asset Management Limited is a limited company registered in England and Wales with number 09415365. The company's registered address is 1A Tower Square, Leeds, LS1 4DL. Progeny Asset Management Limited is authorised and regulated by the Financial Conduct Authority (No. 740528). VAT Number: 238579267.

Past performance is not a guide to future performance. Any specific investments mentioned are for illustrative purposes only and this is not intended as investment advice. If you are unsure as to the suitability of the service, please contact a professional adviser or Progeny Asset Management to discuss.

The information contained within this document is subject to the UK regulatory regime and is therefore primarily targeted at consumers based in the UK. The value of investments and the income from them can fall as well as rise, and you may not recover the amount of your original investment. Your capital is therefore always at risk.

The information contained within this document is subject to the UK regulatory regime and is therefore primarily targeted at consumers based in the UK.