# True Potential Defensive Portfolio

31st October 2026

## Portfolio Objective

The objective of the True Potential Defensive Portfolio is to provide investors with a way to achieve their investment goals. The Portfolio offers full exposure to different manager styles within the Defensive risk profile. We review the Portfolio monthly and, if necessary, rebalance to the allocation of styles that we believe offers the best opportunity for growth within the Defensive risk profile. The Portfolio aims to produce a higher risk-adjusted outcome at a lower average cost, compared to an equally-weighted model of Defensive funds.

**Risk and Reward Profile**

| Defensive | Cautious | Balanced | Growth | Aggressive |
|---|---|---|---|---|

Lower Risk
Potentially Lower Rewards

Higher Risk
Potentially Higher Rewards

The Defensive Investor may be very sensitive to short-term losses. A Defensive Investor's potential aversion to short-term losses could compel them to sell their investment and hold a zero risk investment instead if losses occur. Defensive Investors would possibly accept lower long-term return in exchange for smaller and less frequent changes in portfolio value. Analysing the risk-return choices available, a Defensive Investor is usually willing to accept a lower return in order to assure the safety of his or her investment.

## Investment Commentary

The True Potential Defensive Portfolio returned -0.11% in October 2026.

Global equities declined for a second straight month, with technology-heavy markets such as Korea, Taiwan and parts of the US weakest. Europe and the UK provided positive returns, supported by defensive companies outperforming and for the latter, strong performance from energy stocks.

Government bond yields fell globally in October, resulting in positive bond returns. Government bonds benefited from increased demand for defensive assets as equity-market volatility increased. UK Gilt market reaction to the Budget was relatively muted given much of the outlook was expected. The Pound also strengthened over the month, whilst the price of Gold fell.

The True Potential SEI Defensive fund led performance over the month, benefitting from its preference for more defensive companies, which outperformed within equities globally. The higher bond allocation was also supportive. True Potential Pictet Defensive was the weakest performer, reflecting its higher allocation to technology companies and Gold.

There were no active changes to Portfolio allocations during the month, as the team remained confident the Portfolio stayed within its target risk parameters and is aligned with our house view.

Managers refined positioning, adding to UK equities which provide valuation support, and reducing exposure to US and Emerging Market equities. Managers were also adding to government bonds given higher yields on offer after the September selloff. These changes remain consistent with our outlook and demonstrate managers actively seeking opportunities while maintaining disciplined risk management.

For further information, please subscribe to our YouTube channel, where we provide economic and market updates. This can be found via the following link http://www.youtube.com/user/TruePotentialLLP.

**Growth of hypothetical £10,000 invested since inception**




**Why invest in this Portfolio?**

- For investors looking to invest for the long term (5 years or more).
- Diversifies risk by investing in stocks, bonds, and alternative investments.
- The fund's defensive risk profile aims to protect capital while delivering moderate growth, minimizing exposure to short-term losses by focusing on safer, more stable investments.
- Investors are able to bear losses to capital without creating significant financial hardship.

## % Growth

| | 1 Month | 3 Month | 6 Month | 1 Year | 3 Year | 5 Year | 10 Year | Since Launch |
|---|---|---|---|---|---|---|---|---|
| True Potential Defensive Portfolio | -0.1% | 0.1% | 1.8% | 3.9% | 23.8% | 14.1% | 29.3% | 40.6% |

## Annual % Growth

| | Oct 21 - Oct 22 | Oct 22 - Oct 23 | Oct 23 - Oct 24 | Oct 24 - Oct 25 | Oct 25 - Oct 26 |
|---|---|---|---|---|---|
| True Potential Defensive Portfolio | -7.3% | -0.5% | 9.9% | 8.4% | 3.9% |

Source: True Potential Investments, based on net asset value (as of 31st October 2026). Performance is calculated on a Total Return basis and is net of Portfolio OCF.

**With investing, your capital is at risk. Investments can fluctuate in value and you may get back less than you invest. Past performance is not a guide to future performance. This factsheet is not personal financial advice.**

## Key Fund Information

| Portfolio Details | |
|---|---|
| Launch Date | 1st October 2015 |
| Ongoing Charge Figure (OCF)* | 0.67% |
| Portfolio Size | £290m |
| Minimum Recommended Holding Period | 5 years |

*OCF payable can fluctuate over time as the underlying investments are variable and can change.

Personal dividend tax charges may still apply and is subject to individual circumstances. Tax rules may change in the future.

In September 2024, the FCA updated its Packaged Retail Insurance and Investment Products (PRIIPS) guidance on how we disclose costs for closed-ended funds like investment trusts. This change is designed to give you a clearer picture of the actual costs that impact your investments. As a result, some of our fund OCFs (Ongoing Charges Figure) have significantly decreased, reflecting only the costs that directly affect the fund's assets.

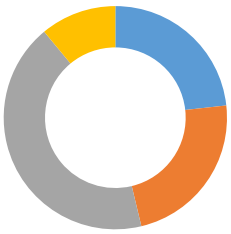
## What are the fees associated with investing in this Portfolio?

The OCF of this Portfolio is currently 0.67%. This means that if you invest £1000 in the Portfolio, you can expect to pay £6.70 in fees over the course of a year. The fees you pay are pro-rata. If you hold the Portfolio for less than a year you will only pay the proportional amount of fees applicable (based on the duration of your investment).

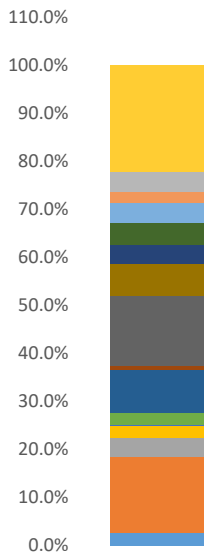
## Portfolio Diversification

### Strategy Allocation

| | |
|---|---|
| Manager of Managers - True Potential SEI Defensive | 23.25% |
| Adaptive Investment - True Potential UBS Defensive | 23.00% |
| Positive Alignment - True Potential Growth-Aligned Defensive | 42.75% |
| Thematic Investing - True Potential Pictet Defensive | 11.00% |



### Asset breakdown




| | Net Exposure*** |
|---|---|
| UK Equity | 2.7% |
| US Equity | 15.8% |
| Europe ex UK Equity | 3.8% |
| Japan Equity | 2.6% |
| Pacific Ex Japan Equity | 0.3% |
| Emerging Markets Equity | 2.4% |
| UK Gilts | 9.0% |
| UK Corporate Bond | 0.8% |
| Global Treasuries | 14.5% |
| Global Corporate Bond | 6.8% |
| Global Inflation-Linked Bond | 4.0% |
| Global High Yield Bond | 4.6% |
| Emerging Market Bond HC | 4.1% |
| Gold | 2.3% |
| Alternatives | 4.2% |
| Cash | 22.2% |
| **Total Exposure:** | **100.0%** |

This chart shows how the fund is exposed to different asset classes. The percentages represent market exposure, not the amount invested. Because the fund may use derivatives (a form of financial contract) to gain additional exposure to certain markets or assets, the total exposure can exceed 100% of the fund's value.

***Source:True Potential Investments LLP

Strategy and Asset Allocation are subject to change at any time without notice, are for information purposes only and should not be construed as investment recommendations.

## Risks

The following are some of the key risks associated with investing in this Portfolio. For a complete list of risks, please refer to each Fund's prospectus, available at www.truepotential.co.uk/fund-documents. Please be aware that there is no guarantee that capital will be preserved.

| Risk Type | Description |
|---|---|
| Performance Risk | Investment objectives express an intended result but there is no guarantee that such a result will be achieved. Depending on market conditions and the macro-economic environment, certain investment types and styles may perform better than others and investment objectives may become more difficult to achieve. Whilst different investment types and styles are used, growth cannot be guaranteed. |
| Counterparty Risk | There may be cases where the organisation from which we buy a derivative, or an asset, fails to meet its obligations. The cash deposits of the underlying funds are also subject to counterparty risk. |
| Emerging Market Risk | Investments in emerging markets may involve greater risks due to political and economic instability, and underdeveloped markets and systems. |
| Derivative Risk | The Portfolio holds funds entitled to use derivatives. Derivatives may not achieve their intended purpose. Their prices may move up or down significantly over relatively short periods of time which may result in losses greater than the amount paid. |
| Operational Risk | The Portfolio faces non-market risk, relating to purchasing, holding and servicing the Portfolio's assets. |
| Credit Risk | Where the underlying Fund invests in bonds, there is a risk the bond issuer may fail to meet its repayments. Changes in interest rates, inflation and the creditworthiness of the bond issuer may also affect the bond's market value. This risk is particularly relevant where the Fund invests in bonds with a lower credit rating. |
| Exchange Rate Risk | The underlying funds may invest in securities not denominated in GBP. The value of your investments may be affected by changes in currency exchange rates. |
| Liquidity Risk | Certain market conditions could make sufficiently liquid assets difficult to sell quickly at a fair price. This could result in an unpredictable fall in the value, and overall liquidity of the funds held within the Portfolio. |
| Investment Trust Risk | Investment trusts and closed ended funds may borrow to purchase additional investments. This can increase returns when stock markets rise but will magnify losses when markets fall. The value of an investment trust or a closed-ended fund moves in line with stock market demand and its share price may be less than or more than the net value of the investments it holds. |

### To find out more

Visit **www.truepotential.co.uk/investments/**

Call **0191 242 4884**

Email **Investmentmanagement@tpllp.com**

### Need assistance with reading documents?

We can provide documents in various formats, including large print, audio, and fonts designed for readability. Please email investmentmanagement@tpllp.com if you require an alternative format.

**Important Information**

A Fund Prospectus and Key Investor Information Document (KIID) for each of the underlying investments listed above are available from www.truepotential.co.uk/fund-administration/#fund-documents or by email to investmentmanagement@tpllp.com.

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