

# The MGTS Downing Fox Fund Range

## Quarterly Report

Third Quarter 2025  
July – September

For investment professionals only

Downing 



# The Downing Fox ethos

## The garden

A gardener shouldn't be surprised by heavy rain. Or a hot spell. Or it growing colder at the end of the year (a.k.a. 'winter'). If these regularly cause you, in a fit of panic, to rip out and replace all your plants, we might delicately suggest that gardening isn't your thing.

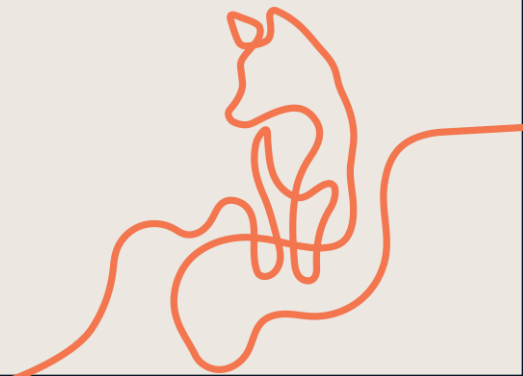
And so it is with investing: Unexpected events happen all the time, so we shouldn't be caught off guard when they do. This means building investment portfolios that aren't vulnerable to shocks, and that naturally adapt to changing conditions.

So don't expect to read tales of drastic action in these reports (frenetic activity is often a sign that an investor has got something wrong and is hurriedly trying to fix it). Instead, you should see gradual change: regular pruning and watering; the addition of a seedling or two; and perhaps a tweak to the plant mix to reflect a shift in climate.

And if you see us ripping everything out?

Run for the hills.

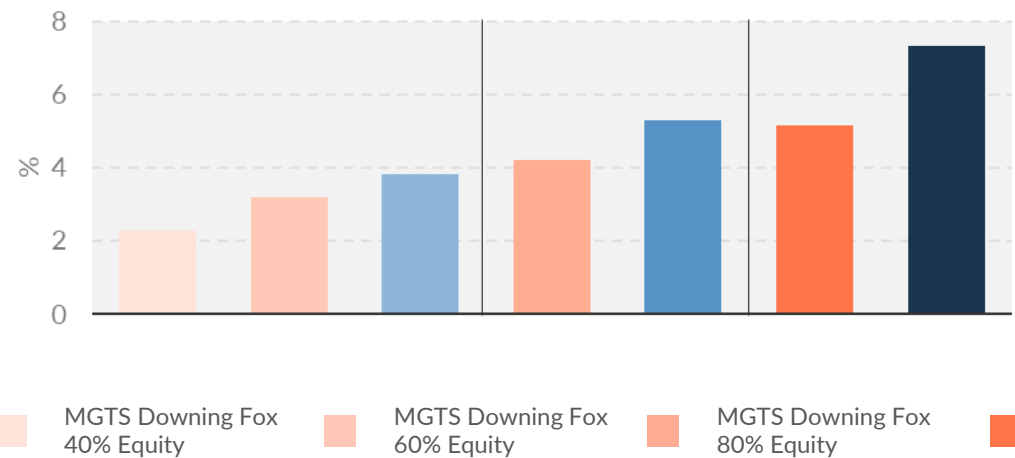
**Simple. Reliable. Easy to use.**



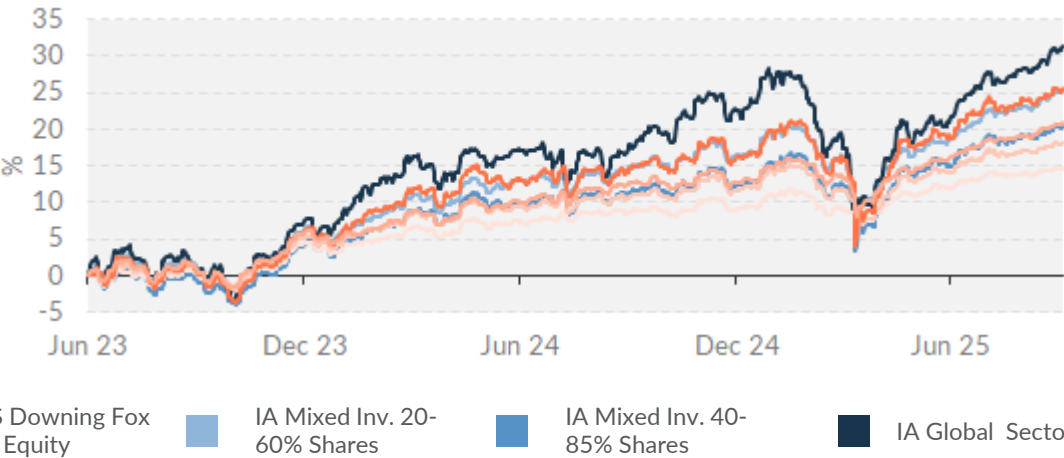
# Performance overview: the fund range

- After spring’s tariff-inspired meltdown, summer proved comparatively calm for financial markets. Of course, there continued to be plenty to worry about, with conflict in Gaza and Ukraine grinding on, while France’s political and financial pickle intensified. But none of these are ‘new’ news as far as market participants are concerned, and so global equities were able to rally, while most bond markets fared well enough too (although the UK’s slow-motion political car crash made gilts an exception here – they registered minor losses). The price of gold, meanwhile, shot up over the quarter, hinting at deeper concerns weighing on investors’ minds.
- Over the quarter the four Fox funds registered returns between 2.3% (Fox40) and 5.1% (Fox100). This is a decent return for just three months and adds to what is – so far – turning out to be another good year for growing client wealth. What spoils our enjoyment of this outcome – and possibly yours too – is that we’re performing more slowly than our average peer. It’s a stretch to say we’re happy with this, but we do accept it: We think we’re avoiding some significant risks that many of our peers are heavily exposed to, and the cost of our more tortoise-like returns in these hare-like markets feels like an acceptable price to pay for the added safety.
- What risks? Look at either of the charts below, and in both we’ve lagged for the same reasons. In equities, we have much lower exposure to the US, to mega caps, and, in particular, to US mega caps. We think the valuation risk here caused by mass herding could inflict some real pain. In non-equities, meanwhile, corporate bonds have rallied far harder than government bonds, and the risks here are – we believe – as high as they’ve been for decades. Unlike most of our peers, we have no exposure.

Third quarter 2025



Since launch\*

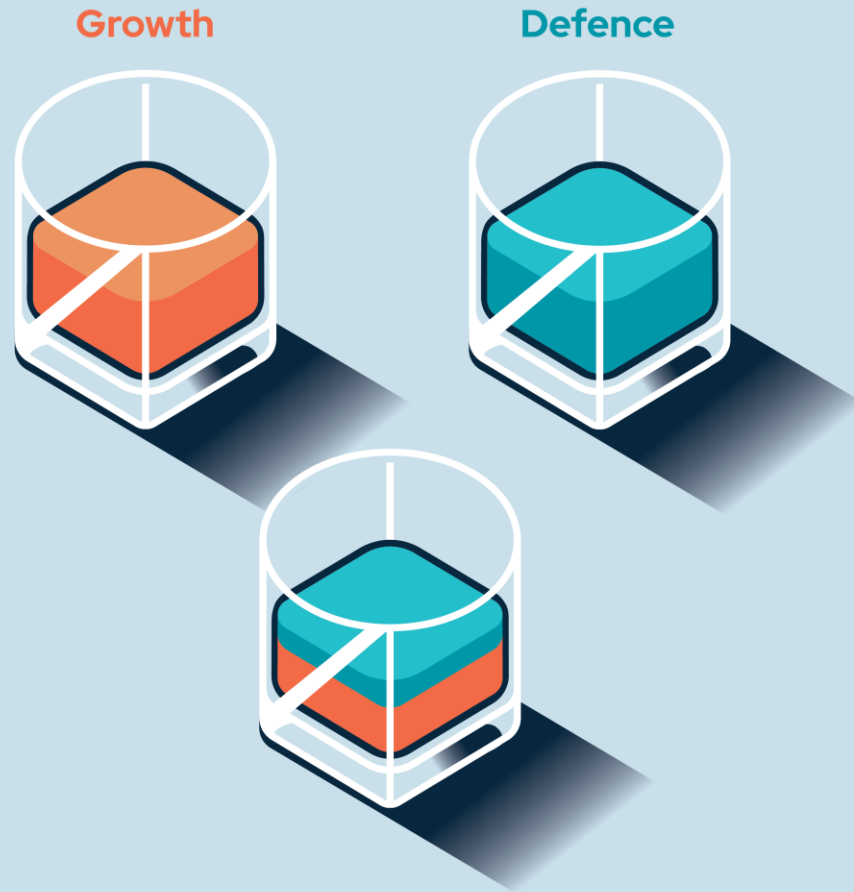


Past performance is not a reliable indicator of future performance.

\*The funds were launched on 27.06.23. Note that, due to the time it takes to invest new funds, they lagged their sector averages over their first few days.  
Source: FE fundinfo 2025 & Morningstar. All data from 30.06.2025 to 30.09.2025 unless otherwise stated. Total return, including charges. All fund data is 'A Acc' share classes.



# Charge for the whisky, not the water



Each Fox Fund contains different amounts of the same two components: The equity component, called 'Growth', and the 'Defence' Component.

Each has a job: The Growth Component aims to make high long-term returns; the Defence Component should cushion when markets fall. So, the more Growth in a client's portfolio, the higher long-term returns should be. But undiluted Growth won't be for everyone: With that comes higher volatility and steeper drops when markets are falling. So, for some clients, more Defence is appropriate.

The Fox Fund range allows you to mix the two; creating blends that suit each of your clients' different financial needs and tolerance of risk. We like to think of the Growth Component as a nice whisky. Some won't want to drink it neat, so we dilute it with the Defence Component - the water.

And the *really* good news?

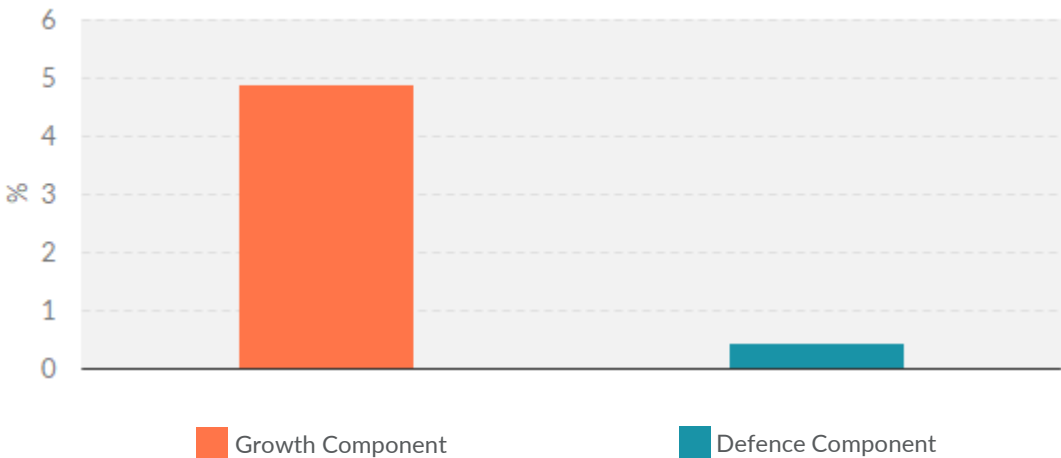
Like any good bartender, we don't charge you for the water: Which means the more diluted your portfolio, the lower your charges.



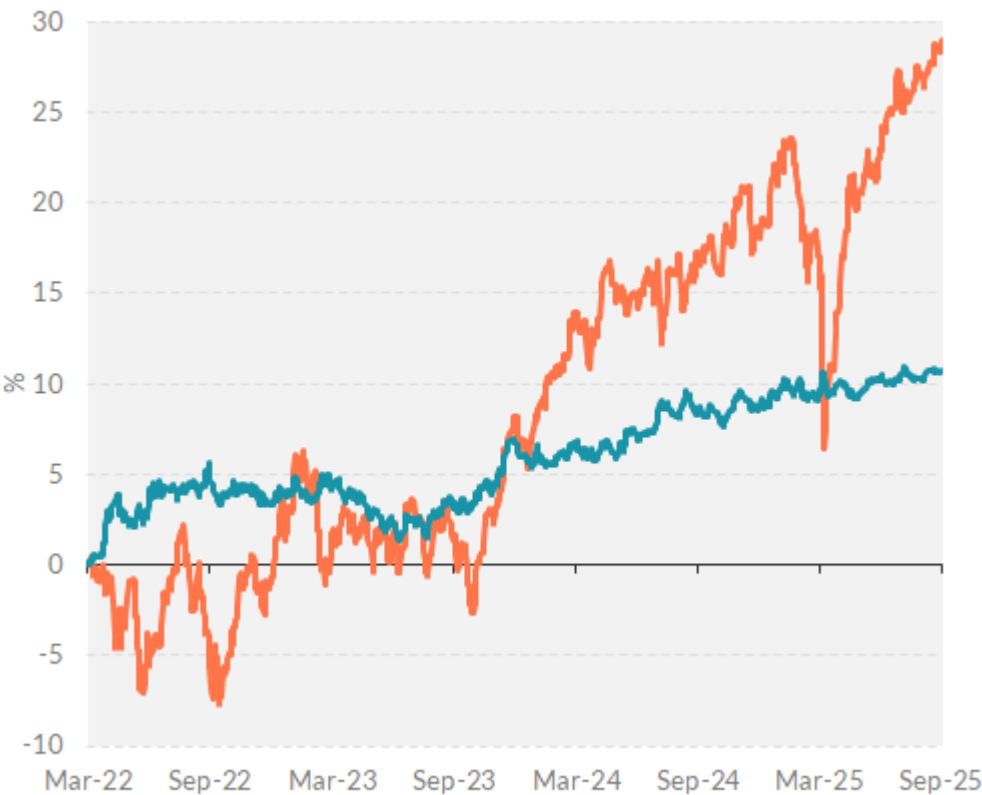
# Performance overview: the two components

## Third quarter 2025

The **Growth Component** is making money when the going is good, which is what it's designed to do. That said, it's behaving defensively, which we put down to its higher exposure to **small and mid-caps** than its peers and the global market index. To make it go faster, we'd need to force in some more **mega caps**. But a), we don't manage this portfolio from the top down – it's up to our expert managers to pick the stocks, and b) mega-caps look riskier and have less potential for high long-term returns from here. So, we wouldn't do this even if we could.



## Since launch of Downing Fox models\*



Simulated and past performance are not reliable indicators of future performance.  
Note that the simulated performance of the two components is based on our target allocation models.

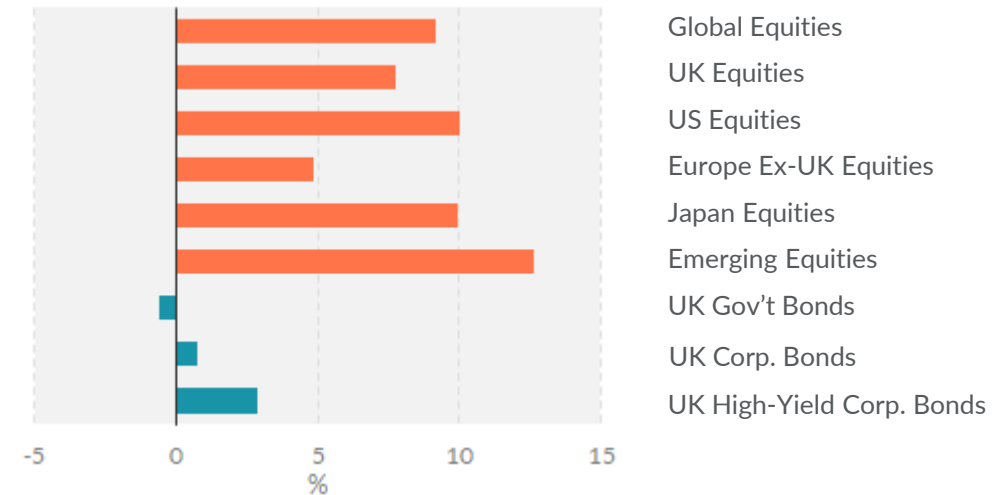
Source: Morningstar. All data from 01.07.2025 to 30.09.2025 unless otherwise stated.  
\* The Downing Fox models first started impacting client money when Downing took over as Investment Adviser on the VT Johnston Funds on 01.04.2022.



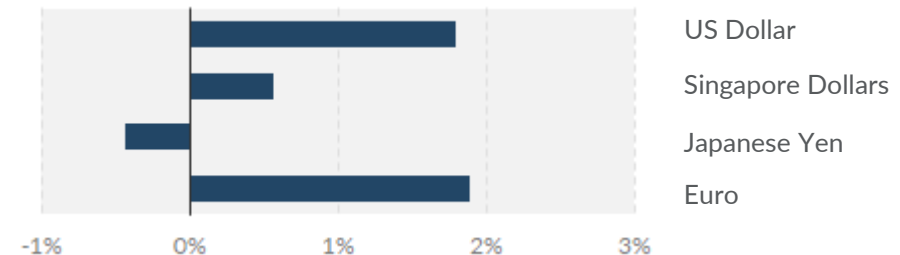
# Performance drivers: high level

- **Equities** made good gains over the quarter, so the more exposure you had to them, the better your performance. While we were pleased with the absolute returns generated by the **Growth Component**, we looked relatively pedestrian versus peers and the wider market.
- This was because it was a quarter that heavily favoured **larger companies**, which hurt us on a relative basis thanks to our diversified approach. When **large-caps** outperform by such a wide margin, it's harder for our **active managers** to add value versus their benchmarks. This was most evident among our **UK** and **US** names, where **large-caps** pummeled **small-caps**. There were some bright spots within the portfolio, though, particularly among our **Global Value** and **Emerging Markets** Funds.
- Our **Defence Component** rose gently over the quarter, thanks largely to our exposure to **GBP Cash**, while **gilts** detracted from our performance. This part of our portfolios again looked unexciting versus the equivalents of our average peer. We expect that to happen when **stock markets** enjoy such a strong quarter, especially given many of our peers have high exposures to areas such as **high-yield bonds** and **physical gold**, which performed well. Our **Defence Component** is there to defend when **stock markets** fall, and given current valuations, we believe there's a high chance **high-yield bonds** will fall in tandem with equities when we hit the next bump in the road.

## Total returns third quarter 2025



## Currency movements vs sterling third quarter



Past performance is not a guide to future performance.

Source: FE fundinfo 2025. All data from 01.07.2025 to 30.09.2025 unless otherwise stated.



# Performance drivers: key holdings

## Notable contributors

### Merlin Fidelis Emerging Markets

Weightings to Chinese technology stocks such as Tencent (via their holding in Naspers) and Alibaba helped this value fund.

### Redwheel Global Intrinsic Value

This was a quarter where growth names outperformed, but this value fund bucked the trend thanks to strong stock picking.

### Spyglass US Growth

High-growth stocks performed well in the US this quarter and this small-cap focused fund took full advantage.

### Third Avenue Global Value

Another value fund that bucked the trend in Q3 thanks commodity-related stocks such as Capstone Copper and Warrior Met Coal.

### VT Tyndall Unconstrained UK Income

It was a difficult quarter for UK small and mid-caps, but this fund performed well thanks to stocks like Zegona Communications.

## Notable detractors

### IFSL Evenlode Global Equity

Traditional quality growth funds really struggled this quarter, and this fund was no exception thanks to its exposure to consumer staples.

### Pacific North American Opportunities

Another tough quarter for this fund, with high weightings in CBIZ and ICU Medical detracting from performance.

### Palm Harbour Global Value

An uncharacteristically disappointing quarter for this fund, which wasn't helped by UK holdings like Ocean Wilson and Ibstock.

### Skerryvore Global Emerging Markets

This quality-focused fund has minimal exposure to China or AI-related stocks, meaning it looked pedestrian over the quarter.

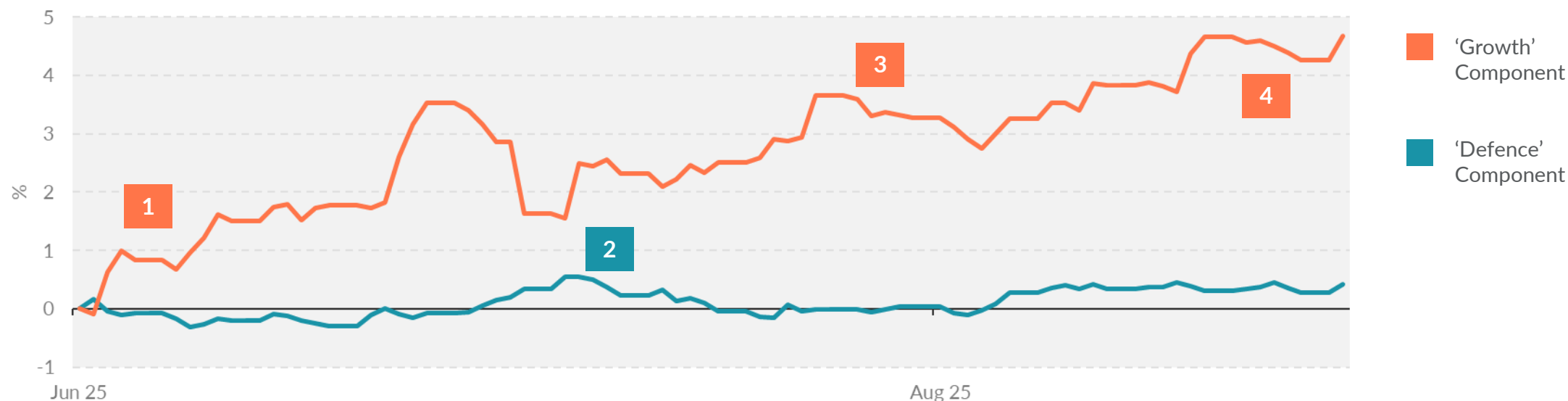
### VT Castlebay UK Equity

Another quality fund that struggled due to stylistic reasons, particularly thanks to the underperformance of Diageo and Novo Nordisk.

Past performance is not a guide to future performance.



# Activity: third quarter 2025



**1** Within the **Growth Component**, we made some changes to our **Emerging Markets** exposure, selling our holding in Aikya Global Emerging Markets (quality growth) and bringing in Merlin Fidelis Emerging Markets (value) to balance out our stylistic exposure. We also added Langdon Global Smaller Companies.

**2** We made only one tweak to our **Defence Component**. Following the strong rally in the **US dollar** after the tariff-induced sell-off in April, we decided to reduce our exposure and we increased our weighting to **Japanese yen**, which offers similar defensive characteristics, but we believe looks better value.

**3** Back to the **Growth Component**, and we further changed the line-up by adding Iridian US Corporate Change, reducing exposure to Pacific North American Opportunities and HC Snyder US All Cap Equity to do so. At the same time, we bought M&G European ex UK by trimming exposure to Invesco European Focus and exiting HC Berenberg Europe ex UK Focus.

**4** We also added Mirabaud Discovery Europe ex UK to our **European** mix and sold our holding in SVS Kennox Strategic Value and topped up our holding in WS Gresham House UK Smaller Companies by selling Rathbone UK Opportunities. While we have changed the funds we own; the overall exposures of the **Growth Component** remain very similar to last quarter.

Simulated performance is not a reliable indicator of future performance. Note that simulated performance of the two components is based on our target allocation models.

Source: Morningstar. All data from 01.07.2025 to 30.09.2025 unless otherwise stated.



# New holdings: third quarter 2025

## Investment rationales

It was a relatively busy quarter within the **Growth Component**, bringing in five new funds and selling out of four. The funds we sold were Aikya Global Emerging Markets, HC Berenberg Europe ex UK Focus, Rathbone UK Opportunities and SVS Kennox Strategic Value. While we think they are all run by good managers, we believed the new funds have a better chance of generating market-dwarfing returns over the longer term.



### Merlin Fidelis Emerging Markets

Merlin Fidelis is Hong Kong-based boutique solely focused on running this strategy. The managers, who ran a similar value-orientated strategy for Maple Brown Abbott in Australia, left to set up the firm. They are bottom-up stock pickers, looking for companies where the risk-reward skew is stacked in their favour.



### M&G European ex UK

The manager, Richard Halle, is highly experienced and has run this strategy since the early 2000s. Richard has a with a very strong track record thanks to his disciplined value-focused investment process and we were able to buy the UCITS version at attractive founder fees.



### Langdon Global Smaller Companies

Langdon is Toronto-based small-cap specialist investment house. Greg Dean is the founder of the firm and the lead manager of the fund. We like the boutique nature of the business; the team and the bottom-up approach to finding small-caps they believe can 2x over 5 years without re-rating.



### Iridian US Corporate Change

This is a US-based boutique and the fund is run by Todd Raker and Eric Stone. They invest in small and mid-caps where they have a catalyst (via corporate change) that could lead to significant re-rating in the shares and/or a major pick-up in the operational performance of the business.



### Mirabaud Discovery Europe ex UK

Hywell Franklin and his team have run this fund since 2018 and have delivered impressive performance. We were drawn to Hywell's distinctive approach, which incorporates aspects of both value and growth investing, as well as the genuine focus on under-brokered small-caps in Europe.



# Under the bonnet: third quarter 2025

## Portfolio changes

We avoid chopping and changing our fund selections too much, but our portfolios aren't stood still: Our underlying managers are constantly tweaking their own funds based on the threats and opportunities faced by their chosen companies. This means your portfolio acts like a hive mind; constantly adapting to local conditions. Over the quarter, **186** new stocks were added to the portfolio, while **110** were sold. Some are highlighted below:

### New Positions



### Sold Positions



# Asset allocation – the two components

## Growth Component (equities)



- Our asset allocation remained broadly unchanged over the quarter, except for a small increase in our exposure to **European** funds thanks to our investments into M&G European ex UK and Mirabaud Discovery Europe ex UK.
- Our **Global** funds tend to have greater exposure to **large-caps** than our regional funds, which is why, again, the former outperformed the latter this quarter with our **UK** funds (in particular) having a difficult time of it. We think valuations across **small-caps** look very attractive now and therefore believe it is only a matter of time before the funds we hold across the likes of the **UK**, the **US**, **Japan** and **Europe**, which provide most of our **small-cap** exposure, start to pull their weight.

## Defence Component (bonds and cash)

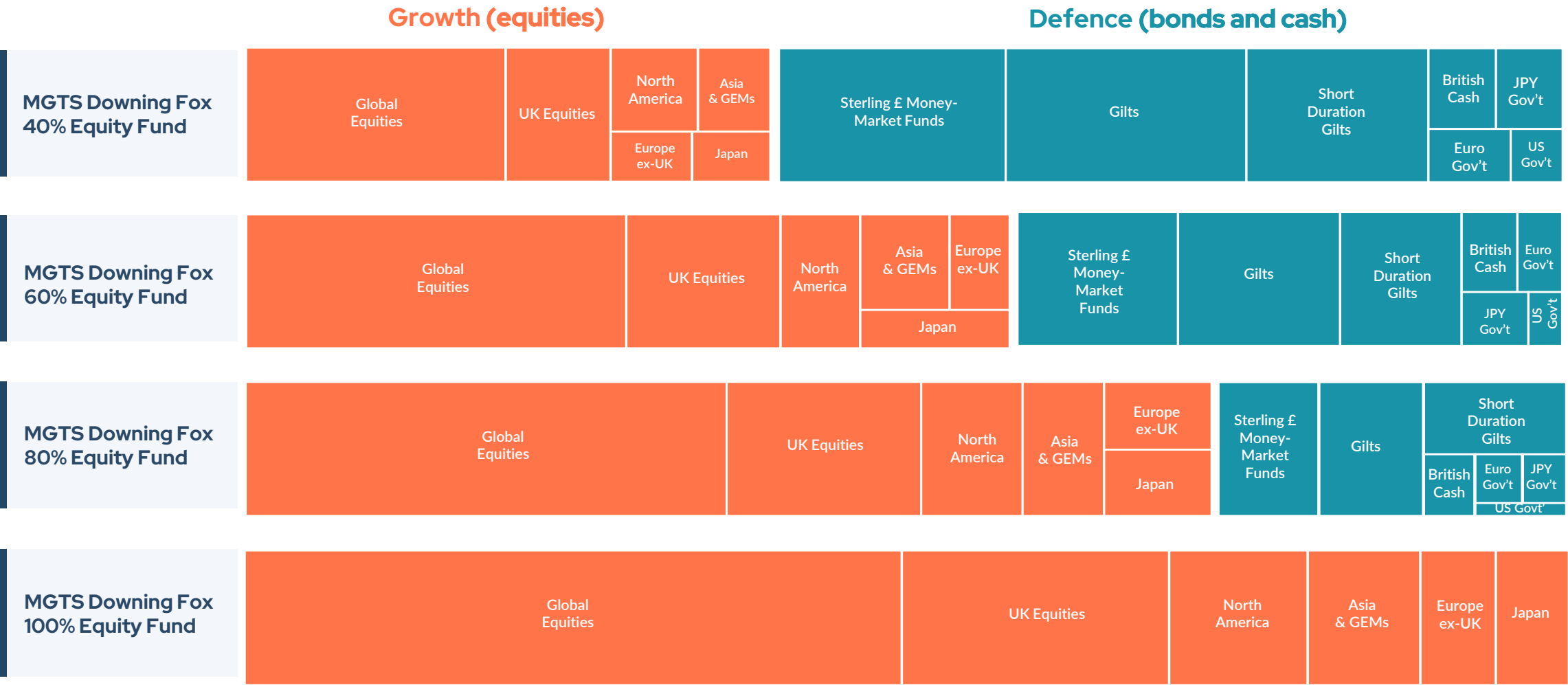


- Our approach to changing the **Defence Component** tends to be slow, slow, then fast. Q2 2025 was a fast quarter given the volatility we saw, meaning Q3 was back to slow again as there were no shocks and **stock markets** made strong gains.
- The only change we made was to increase our exposure to **Japanese yen** at the expense of **US dollars**. The greenback rallied back strongly over recent months, but we remain concerned about its longer-term trajectory given tariff uncertainty and Trump's plans for devaluation. This makes us concerned that, should we see another sell-off in **equities**, the **dollar** might go the same way. Given the **yen**, which tends to be a safe haven during market stress, fell over the quarter, we felt it was an ideal time to marginally increase our weighting.

Source: Downing Fox Strategies as at 30.09.2025. Rounding will not always equate to 100%.



# Target asset allocations – the four MGTS Downing Fox Funds



Source: Downing Fox Strategies as at 30.09.2025.



# Target weightings: the two components

## The Growth Component

### Global Equity Funds: 49.3%

|                                         |      |
|-----------------------------------------|------|
| Ranmore Global Equity                   | 5.0% |
| IFSL Evenlode Global Equity             | 4.8% |
| Landseer Global Artificial Intelligence | 4.0% |
| Latitude Global                         | 4.0% |
| Palm Harbour Global Value               | 4.0% |
| AVI Global Special Situations           | 3.8% |
| WS Havelock Global Select               | 3.8% |
| Nutshell Growth                         | 3.3% |
| Wellington Global Stewards Fund         | 3.0% |
| Liontrust Global Dividend               | 2.5% |
| Third Avenue Global Value               | 2.5% |
| Kempen (Lux) Global Value               | 2.0% |
| WS Amati Global Innovation              | 2.0% |
| > Langdon Global Smaller Companies      | 1.8% |
| Heriot Global Smaller Companies         | 1.5% |
| Redwheel Global Intrinsic Value         | 1.5% |

### UK Equity Funds: 20.0%

|                                       |      |
|---------------------------------------|------|
| WS Gresham House UK Smaller Companies | 4.3% |
| Premier Miton UK Value Opportunities  | 4.0% |
| VT Castlebay UK Equity                | 4.0% |
| SVS Dowgate Cape Wrath Focus          | 3.8% |
| WS Whitman UK Small Cap Growth        | 2.5% |
| VT Tyndall Unconstrained UK Income    | 1.5% |

### North American Equity Funds: 9.5%

|                                      |      |
|--------------------------------------|------|
| HC Snyder US All Cap Equity          | 3.5% |
| Spyglass US Growth                   | 3.0% |
| Pacific North American Opportunities | 1.5% |
| > Iridian US Corporate Change Equity | 1.5% |

### Asia & Emerging Market Equity Funds: 8.5%

|                                         |      |
|-----------------------------------------|------|
| Skerryvore Global Emerging Markets      | 2.0% |
| HC Sephira Global Emerging Markets      | 1.0% |
| Schroder Emerging Markets Value         | 2.5% |
| > Merlin Fidelis Emerging Markets       | 1.3% |
| GIB AM Emerging Markets Active Engageme | 1.0% |
| Chikara Indian Subcontinent             | 0.8% |

### European Equity Funds: 7.0%

|                                       |      |
|---------------------------------------|------|
| > M&G European ex UK                  | 2.5% |
| > Mirabaud Discovery Europe ex UK     | 2.0% |
| WS Montanaro European Small & Mid Cap | 1.5% |
| Invesco European Focus                | 1.0% |

### Japanese Equity Funds: 5.8%

|                                      |      |
|--------------------------------------|------|
| Zennor Japan Fund                    | 4.0% |
| HC Cadira Sustainable Japan Equity   | 1.5% |
| Nissay Japan Contrarian Value Equity | 0.3% |

## The Defence Component

### Cash and Money Market, British Pounds: 35.0%

|                                     |       |
|-------------------------------------|-------|
| WS Canlife Sterling Liquidity I Acc | 25.0% |
| Pound Sterling                      | 5.0%  |
| UBS (Irl) Select Money Market GBP   | 5.0%  |

### Short-Duration UK Government Bonds: 22.5%

|                                    |       |
|------------------------------------|-------|
| Amundi UK Government Bond 0-5Y D   | 15.0% |
| Invesco UK Gilt 1-5 Year UCITS ETF | 7.5%  |

### UK Government Bonds: 30.0%

|                                    |       |
|------------------------------------|-------|
| Fidelity Index UK Gilt             | 15.0% |
| Amundi Uk Government Bond GBP Dist | 15.0% |

### Short-Duration JPY Government Bonds: 5.0%

|                                     |      |
|-------------------------------------|------|
| > UBS Japan Treasury 1-3yr Bond ETF | 5.0% |
|-------------------------------------|------|

### US Government Bonds: 5.0%

|                                       |      |
|---------------------------------------|------|
| Amundi Prime US Treasury UCITS ETF DR | 5.0% |
|---------------------------------------|------|

### Short-Duration Euro Government Bonds: 2.5%

|                                    |      |
|------------------------------------|------|
| > Amundi Prime Euro Gov Bonds 0-1y | 2.5% |
|------------------------------------|------|



# Drilling Down: one of the many companies selected on your behalf

There are currently **39** actively-managed equity funds in your portfolio\*. All are run by managers who think hard about every share they select for their own fund (and by extension yours). This means that you currently own shares in **1,180** companies listed in **52** different countries\*, every one of which has been hand-picked by an expert investor. This is one of them:

## Who selected the company?



[www.thirdave.com](http://www.thirdave.com)

### Third Avenue Global Value

The Third Avenue Global Value Fund is the UCITS version of the established Third Avenue Value strategy, which has been going for around 30 years and has been managed by Matthew Fine since 2017.

Third Avenue is a New York-based boutique which specialises in value investing, and the philosophy behind the Fund is to invest in businesses around the world that have strong balance sheets and are trading at a significant discount to what the team deem to be a conservative estimate of fair value.

The team believe that markets are largely efficient, so the opportunity set for finding stocks that are genuinely mispriced are low – hence the concentrated approach. It is a research intensive, bottom-up approach to stock selection with the team paying no attention to a benchmark index. Despite being value investors, the team are active and engaged owners of businesses.

## What's the company, and why did they invest in it?



[www.conduitreinsurance.com](http://www.conduitreinsurance.com)

### Conduit RE

Conduit RE is a reinsurance company listed on the London Stock Exchange which focuses on property, casualty and specialty insurance lines.

The company has made good progress towards its goals for underwriting profits and premium growth, but insurance loss events in 2024, as well as significant exposure to the Los Angeles wildfires in 2025, led to increased volatility in their stream of profits.

The share price declined, allowing Third Avenue to invest at a discount to book value. With no debt and a high-quality investment portfolio, they see attractive upside in Conduit RE's share price from current levels, while they also hope persistent discounts will prompt the company into taking further shareholder-friendly actions aimed at boosting the share price.



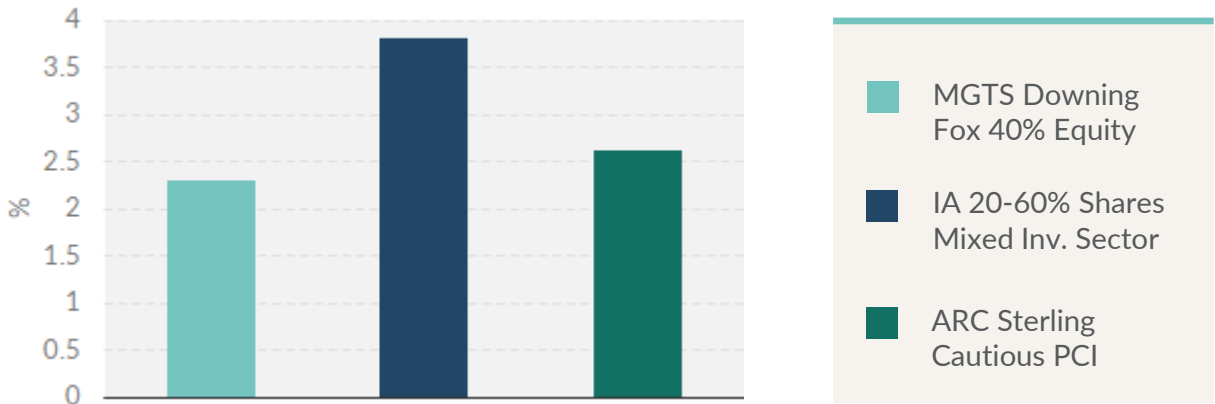
# Fund focus

## The MGTS Downing Fox 40% Equity Fund

### Performance comment

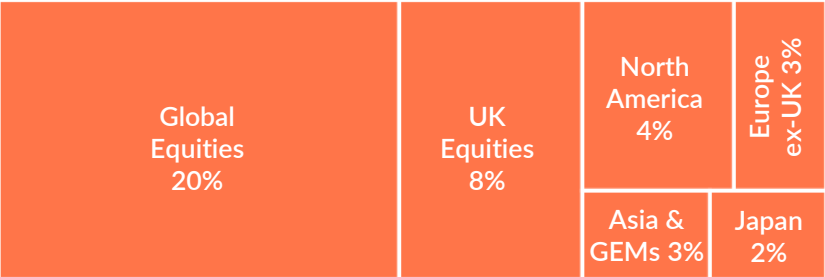
- With 60% of the fund on a permanently defensive footing, and the other 40% (the equity portfolio), behaving defensively on account of not being heavily concentrated in US mega caps, we think 2% in a three-month period is a decent result for **Fox40**.
- The other part of a multi-asset portfolio that's boosting our peers - but not us - is corporate bonds. These have rallied hard in recent years, leaving spreads (the premium you get paid for lending to a company over lending to a government) as narrow as they've been in decades. They look risky to us - we're happy to avoid them.

### Third quarter 2025



### Asset allocation

#### Growth (equities) 40%



#### Defence (bonds and cash) 60%



Past performance is not a guide to future performance.

Source: FE fundinfo 2025, total return, including charges. Fund data is from 'A Acc' share class. 01.07.2025 to 30.09.2025. Asset allocation data: Downing Fox Strategies as at 30.09.2025.



# Fund focus

## The MGTS Downing Fox 40% Equity Fund

### The Growth Component (39.8%)

| Global Equity Funds:                    | 19.7% | North American Equity Funds:              | 3.8% |
|-----------------------------------------|-------|-------------------------------------------|------|
| Ranmore Global Equity                   | 1.9%  | HC Snyder US All Cap Equity               | 1.4% |
| IFSL Evenlode Global Equity             | 1.9%  | Spyglass US Growth                        | 1.2% |
| Landseer Global Artificial Intelligence | 1.6%  | Pacific North American Opportunities      | 0.6% |
| Palm Harbour Global Value               | 1.6%  | > Iridian US Corporate Change Equity      | 0.6% |
| Latitude Global                         | 1.6%  |                                           |      |
| WS Havelock Global Select               | 1.5%  |                                           |      |
| AVI Global Special Situations           | 1.4%  |                                           |      |
| Nutshell Growth                         | 1.4%  |                                           |      |
| Wellington Global Stewards Fund         | 1.2%  |                                           |      |
| Third Avenue Global Value               | 1.1%  |                                           |      |
| Liontrust Global Dividend               | 1.0%  |                                           |      |
| Kempen (Lux) Global Value               | 0.8%  |                                           |      |
| WS Amati Global Innovation              | 0.8%  |                                           |      |
| > Langdon Global Smaller Companies      | 0.7%  |                                           |      |
| Redwheel Global Intrinsic Value         | 0.6%  |                                           |      |
| Heriot Global Smaller Companies         | 0.5%  |                                           |      |
| UK Equity Funds:                        | 8.0%  | Asia & Emerging Market Equity Funds:      | 3.4% |
| WS Gresham House UK Smaller Companies   | 1.7%  | Schroder Emerging Markets Value           | 1.0% |
| Premier Miton UK Value Opportunities    | 1.7%  | Skerryvore Global Emerging Markets        | 0.9% |
| VT Castlebay UK Equity                  | 1.6%  | > Merlin Fidelis Emerging Markets         | 0.5% |
| SVS Dowgate Cape Wrath Focus            | 1.5%  | GIB AM Emerging Markets Active Engagement | 0.4% |
| WS Whitman UK Small Cap Growth          | 0.9%  | HC Sephira Global Emerging Markets        | 0.4% |
| VT Tyndall Unconstrained UK Income      | 0.6%  | Chikara Indian Subcontinent               | 0.3% |
|                                         |       | European Equity Funds:                    | 2.8% |
|                                         |       | > M&G European ex UK                      | 1.1% |
|                                         |       | > Mirabaud Discovery Europe ex UK         | 0.8% |
|                                         |       | WS Montanaro European Small & Mid Cap     | 0.6% |
|                                         |       | Invesco European Focus                    | 0.3% |
|                                         |       | Japanese Equity Funds:                    | 2.3% |
|                                         |       | Zennor Japan Fund                         | 1.6% |
|                                         |       | HC Cadira Sustainable Japan Equity        | 0.6% |
|                                         |       | Nissay Japan Contrarian Value Equity      | 0.1% |

### The Defence Component (60.2%)

| Cash and Money Market, GBP:             | 21.2% |
|-----------------------------------------|-------|
| > WS Canlife Sterling Liquidity I Acc   | 15.0% |
| Pound Sterling                          | 3.3%  |
| UBS (Irl) Select Money Market GBP       | 3.0%  |
| Short-Duration UK Gov't Bonds:          | 13.4% |
| > Amundi UK Government Bond 0-5Y D      | 9.0%  |
| Invesco UK Gilt 1-5 Year UCITS ETF      | 4.4%  |
| UK Government Bonds:                    | 18.0% |
| Fidelity Index UK Gilt                  | 9.0%  |
| > Amundi UK Government Bond GBP Dist    | 9.0%  |
| Short-Duration JPY Government Bonds:    | 4.6%  |
| > UBS Japan Treasury 1-3yr Bond ETF     | 4.6%  |
| US Government Bonds:                    | 1.5%  |
| > Amundi Prime US Treasury UCITS ETF DR | 1.5%  |
| Short-Duration Euro Government Bonds:   | 1.5%  |
| > Amundi Prime Euro Gov Bonds 0-1y      | 1.5%  |



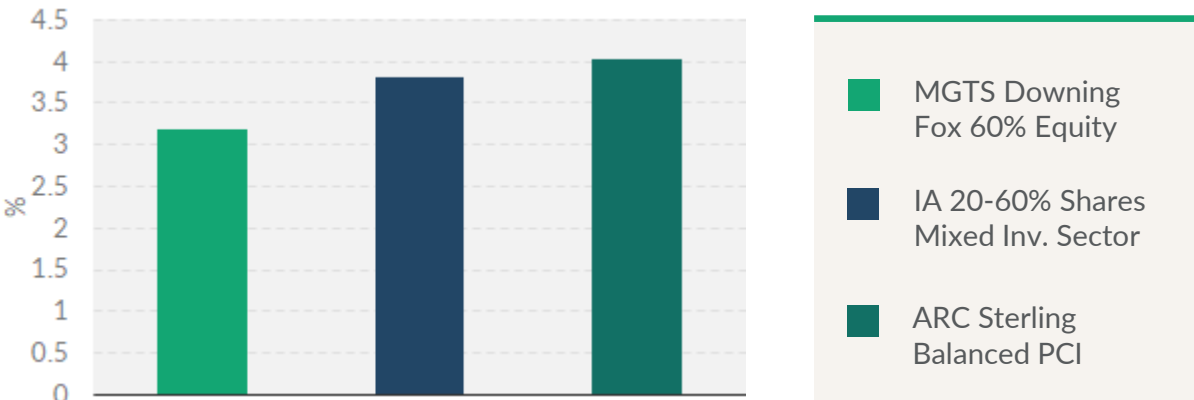
# Fund focus

## The MGTS Downing Fox 60% Equity Fund

### Performance comment

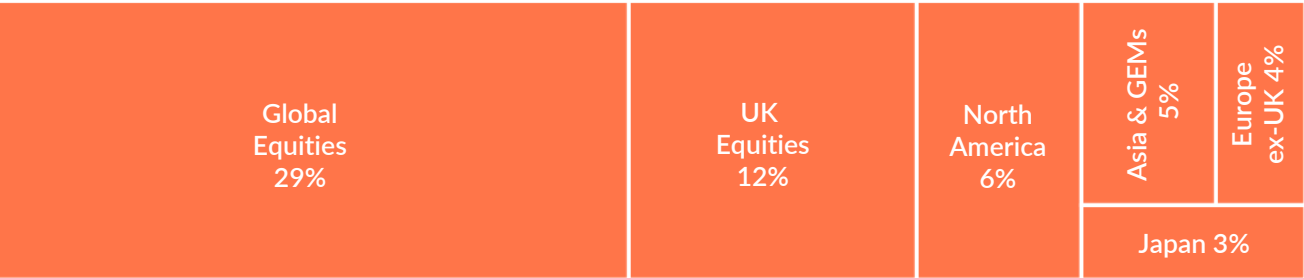
- Perhaps the biggest difference between Fox60 and its peers is the nature of its UK equity exposure. Many competitors hold market-weighted trackers and/or large-cap heavy active funds here, while our exposure, in contrast, is spread broadly across small and mid-caps too. The latter have struggled this quarter (and year) compared to the former, which is one of the key reasons Fox60 is running more slowly than its peers. When we speak with our UK fund managers, they're excited about their stocks' low valuations and the excellent future returns they imply. And so, as a result, are we.

### Third quarter 2025



### Asset allocation

#### Growth (equities) 60%



#### Defence (bonds and cash) 40%



Past performance is not a guide to future performance.



# Fund focus

## The MGTS Downing Fox 60% Equity Fund

### The Growth Component (60.1%)

#### Global Equity Funds: 29.4%

|                                         |      |
|-----------------------------------------|------|
| Ranmore Global Equity                   | 2.9% |
| IFSL Evenlode Global Equity             | 2.8% |
| Latitude Global                         | 2.4% |
| WS Havelock Global Select               | 2.4% |
| Palm Harbour Global Value               | 2.3% |
| Landseer Global Artificial Intelligence | 2.3% |
| AVI Global Special Situations           | 2.2% |
| Nutshell Growth                         | 1.9% |
| Wellington Global Stewards Fund         | 1.9% |
| Third Avenue Global Value               | 1.6% |
| Liontrust Global Dividend               | 1.5% |
| Kempen (Lux) Global Value               | 1.3% |
| WS Amati Global Innovation              | 1.2% |
| > Langdon Global Smaller Companies      | 1.0% |
| Redwheel Global Intrinsic Value         | 0.9% |
| Heriot Global Smaller Companies         | 0.8% |

#### UK Equity Funds: 12.2%

|                                       |      |
|---------------------------------------|------|
| WS Gresham House UK Smaller Companies | 2.6% |
| Premier Miton UK Value Opportunities  | 2.4% |
| SVS Dowgate Cape Wrath Focus          | 2.4% |
| VT Castlebay UK Equity                | 2.3% |
| WS Whitman UK Small Cap Growth        | 1.5% |
| VT Tyndall Unconstrained UK Income    | 1.0% |

#### North American Equity Funds: 5.7%

|                                      |      |
|--------------------------------------|------|
| HC Snyder US All Cap Equity          | 2.1% |
| Spyglass US Growth                   | 1.9% |
| > Iridian US Corporate Change Equity | 0.9% |
| Pacific North American Opportunities | 0.8% |

#### Asia & Emerging Market Equity Funds: 5.1%

|                                           |      |
|-------------------------------------------|------|
| Schroder Emerging Markets Value           | 1.5% |
| Skerryvore Global Emerging Markets        | 1.2% |
| > Merlin Fidelis Emerging Markets         | 0.8% |
| HC Sephira Global Emerging Markets        | 0.6% |
| GIB AM Emerging Markets Active Engagement | 0.5% |
| Chikara Indian Subcontinent               | 0.5% |

#### European Equity Funds: 4.1%

|                                       |      |
|---------------------------------------|------|
| > M&G European ex UK                  | 1.5% |
| > Mirabaud Discovery Europe ex UK     | 1.2% |
| WS Montanaro European Small & Mid Cap | 0.9% |
| Invesco European Focus                | 0.6% |

#### Japanese Equity Funds: 3.5%

|                                      |      |
|--------------------------------------|------|
| Zennor Japan Fund                    | 2.4% |
| HC Cadira Sustainable Japan Equity   | 0.9% |
| Nissay Japan Contrarian Value Equity | 0.2% |

### The Defence Component (39.9%)

#### Cash and Money Market, GBP: 14.0%

|                                       |       |
|---------------------------------------|-------|
| > WS Canlife Sterling Liquidity I Acc | 10.0% |
| Pound Sterling                        | 2.1%  |
| UBS (Irl) Select Money Market GBP     | 2.0%  |

#### Short-Duration UK Gov't Bonds: 8.9%

|                                    |      |
|------------------------------------|------|
| > Amundi UK Government Bond 0-5Y D | 5.9% |
| Invesco UK Gilt 1-5 Year UCITS ETF | 3.0% |

#### UK Government Bonds: 12.1%

|                                    |      |
|------------------------------------|------|
| Amundi Uk Government Bond GBP Dist | 6.1% |
| > Fidelity Index UK Gilt           | 6.0% |

#### Short-Duration JPY Government Bonds: 2.9%

|                                     |      |
|-------------------------------------|------|
| > UBS Japan Treasury 1-3yr Bond ETF | 2.9% |
|-------------------------------------|------|

#### US Government Bonds: 1.0%

|                                         |      |
|-----------------------------------------|------|
| > Amundi Prime US Treasury UCITS ETF DR | 1.0% |
|-----------------------------------------|------|

#### Short-Duration Euro Government Bonds: 1.0%

|                                    |      |
|------------------------------------|------|
| > Amundi Prime Euro Gov Bonds 0-1y | 1.0% |
|------------------------------------|------|



# Fund focus

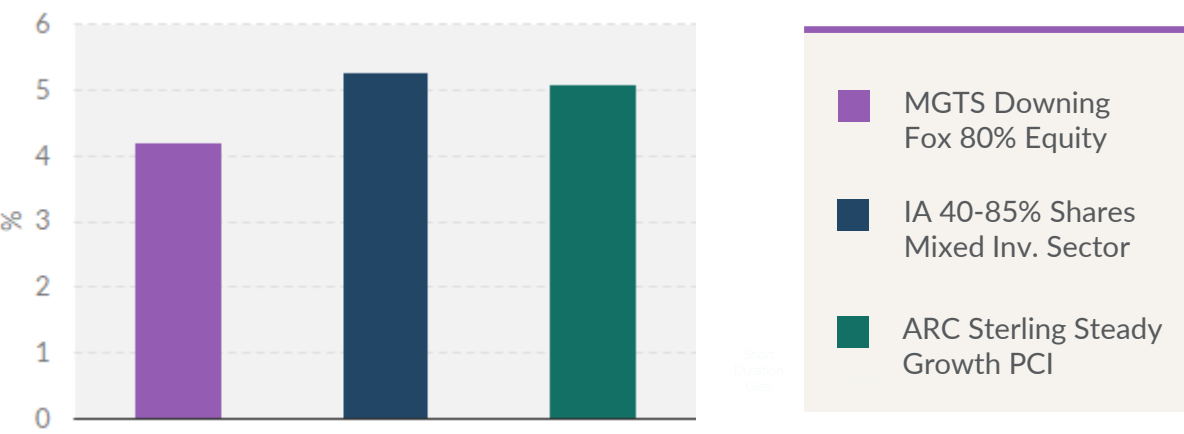
## The MGTS Downing Fox 80% Equity Fund



### Performance comment

- A return of 4.2% in three months is great, but obviously we need to explain why the big number isn't a 5 like our average peer. On the equity side of the portfolio, it's down to geography and market caps: You wanted to be as heavily exposed to mega caps, particularly in the US, as you could bare last quarter. And we simply can't bare as much as most other funds: We think the valuation risks are too high, which raises the chances of a nasty, prolonged drawdown.
- Elsewhere, avoiding corporate bonds, particularly riskier high-yield bonds, has dragged. Again, we think the risks here are currently high.

### Third quarter 2025

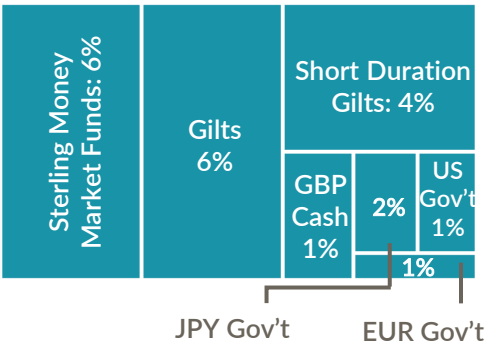


### Asset allocation

#### Growth (equities) 80%



#### Defence (bonds and cash) 20%



Past performance is not a guide to future performance.

Source: FE fundinfo 2025, total return, including charges. Fund data is from 'A Acc' share class. 01.07.2025 to 30.09.2025. Asset allocation data: Downing Fox Strategies as at 30.09.2025.



# Fund focus

## The MGTS Downing Fox 80% Equity Fund

### The Growth Component (79.7%)

|                                         |              |                                                 |             |
|-----------------------------------------|--------------|-------------------------------------------------|-------------|
| <b>Global Equity Funds:</b>             | <b>39.3%</b> | <b>North American Equity Funds:</b>             | <b>7.5%</b> |
| Ranmore Global Equity                   | 4.1%         | HC Snyder US All Cap Equity                     | 2.7%        |
| IFSL Evenlode Global Equity             | 3.7%         | Spyglass US Growth                              | 2.5%        |
| Palm Harbour Global Value               | 3.2%         | > Iridian US Corporate Change Equity            | 1.1%        |
| Landseer Global Artificial Intelligence | 3.2%         | Pacific North American Opportunities            | 1.1%        |
| Latitude Global                         | 3.1%         |                                                 |             |
| WS Havelock Global Select               | 3.1%         |                                                 |             |
| AVI Global Special Situations           | 2.9%         |                                                 |             |
| Nutshell Growth                         | 2.6%         |                                                 |             |
| Wellington Global Stewards Fund         | 2.3%         |                                                 |             |
| Third Avenue Global Value               | 2.0%         |                                                 |             |
| Liontrust Global Dividend               | 2.0%         |                                                 |             |
| Kempen (Lux) Global Value               | 1.6%         |                                                 |             |
| WS Amati Global Innovation              | 1.6%         |                                                 |             |
| > Langdon Global Smaller Companies      | 1.4%         |                                                 |             |
| Redwheel Global Intrinsic Value         | 1.2%         |                                                 |             |
| Heriot Global Smaller Companies         | 1.1%         |                                                 |             |
|                                         |              |                                                 |             |
| <b>UK Equity Funds:</b>                 | <b>16.1%</b> | <b>Asia &amp; Emerging Market Equity Funds:</b> | <b>6.7%</b> |
| WS Gresham House UK Smaller Companies   | 3.4%         | Schroder Emerging Markets Value                 | 1.9%        |
| Premier Miton UK Value Opportunities    | 3.3%         | Skerryvore Global Emerging Markets              | 1.5%        |
| VT Castlebay UK Equity                  | 3.1%         | > Merlin Fidelis Emerging Markets               | 1.0%        |
| SVS Dowgate Cape Wrath Focus            | 3.1%         | HC Sephira Global Emerging Markets              | 0.9%        |
| WS Whitman UK Small Cap Growth          | 2.0%         | GIB AM Emerging Markets Active Engagement       | 0.8%        |
| VT Tyndall Unconstrained UK Income      | 1.2%         | Chikara Indian Subcontinent                     | 0.6%        |
|                                         |              |                                                 |             |
|                                         |              | <b>European Equity Funds:</b>                   | <b>5.6%</b> |
|                                         |              | > M&G European ex UK                            | 2.0%        |
|                                         |              | > Mirabaud Discovery Europe ex UK               | 1.6%        |
|                                         |              | WS Montanaro European Small & Mid Cap           | 1.2%        |
|                                         |              | Invesco European Focus                          | 0.8%        |
|                                         |              |                                                 |             |
|                                         |              | <b>Japanese Equity Funds:</b>                   | <b>4.5%</b> |
|                                         |              | Zennor Japan Fund                               | 3.2%        |
|                                         |              | HC Cadira Sustainable Japan Equity              | 1.2%        |
|                                         |              | Nissay Japan Contrarian Value Equity            | 0.2%        |

### The Defence Component (20.3%)

|                                              |             |
|----------------------------------------------|-------------|
| <b>Cash and Money Market, GBP:</b>           | <b>7.3%</b> |
| > WS Canlife Sterling Liquidity I Acc        | 5.0%        |
| Pound Sterling                               | 1.4%        |
| UBS (Irl) Select Money Market GBP            | 1.0%        |
|                                              |             |
| <b>Short-Duration UK Gov't Bonds:</b>        | <b>4.4%</b> |
| > Amundi UK Government Bond 0-5Y D           | 3.0%        |
| Invesco UK Gilt 1-5 Year UCITS ETF           | 1.4%        |
|                                              |             |
| <b>UK Government Bonds:</b>                  | <b>6.1%</b> |
| Fidelity Index UK Gilt                       | 3.1%        |
| > Amundi UK Government Bond GBP Dist         | 3.0%        |
|                                              |             |
| <b>Short-Duration JPY Government Bonds:</b>  | <b>1.6%</b> |
| > UBS Japan Treasury 1-3yr Bond ETF          | 1.6%        |
|                                              |             |
| <b>US Government Bonds:</b>                  | <b>0.5%</b> |
| > Amundi Prime US Treasury UCITS ETF DR      | 0.5%        |
|                                              |             |
| <b>Short-Duration Euro Government Bonds:</b> | <b>0.5%</b> |
| > Amundi Prime Euro Gov Bonds 0-1y           | 0.5%        |



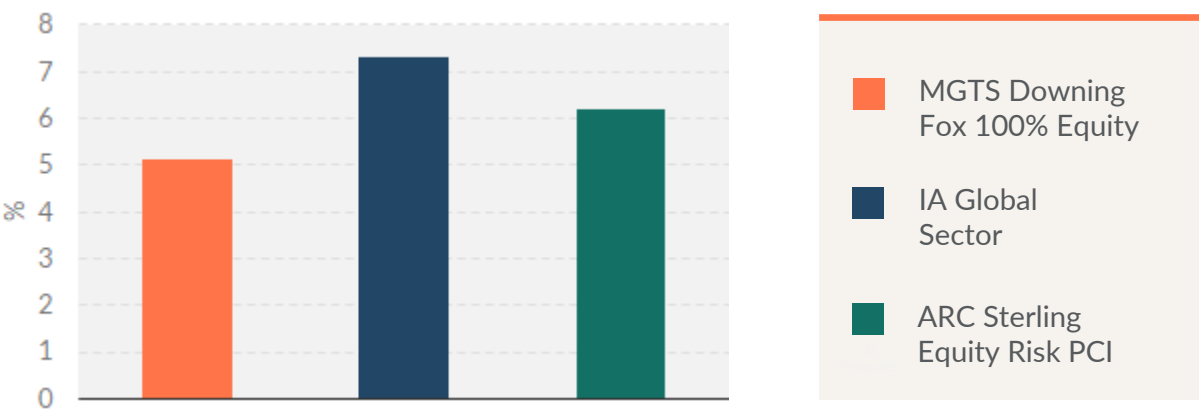
# Fund focus

## The MGTS Downing Fox 100% Equity Fund

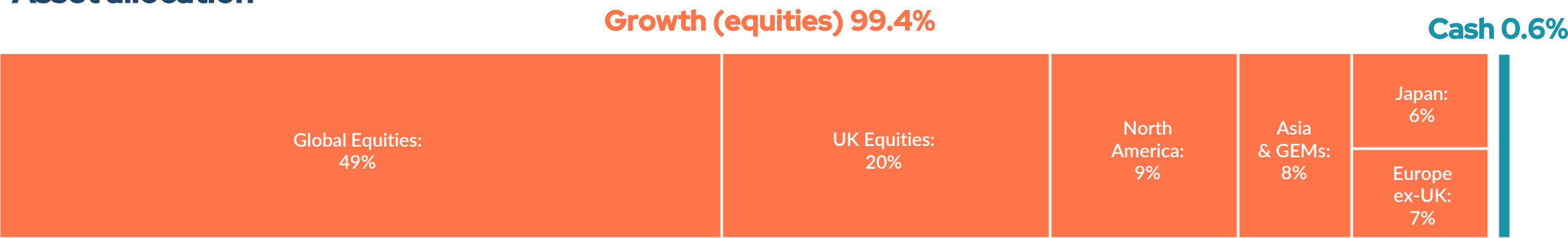
### Performance comment

- We've noticed a pattern: Whenever speculative activity rises, as denoted by chatter about crypto, meme stocks or AI, **Fox100** tends to look languid. This was one such quarter: The fund made decent returns, albeit less decent than our average peer. Conversely, when crypto prices are falling, we tend to perk up.
- This makes sense: **Fox100**'s portfolio is selected by professional investors who assess companies on their quality and valuation. They tend to move away from stocks caught up in speculative frenzies, not towards them. This is, we believe, a feature not a flaw.

### Third quarter 2025



### Asset allocation



Past performance is not a guide to future performance.

Source: FE fundinfo 2025, total return, including charges. Fund data is from 'A Acc' share class. 01.07.2025 to 30.09.2025. Asset allocation data: Downing Fox Strategies as at 30.09.2025.



# Fund focus

## The MGTS Downing Fox 100% Equity Fund

The full portfolio

### The Growth Component (99.4%)

### The Defence Component (0.6%)

#### Global Equity Funds: 48.9%

|                                         |      |
|-----------------------------------------|------|
| Ranmore Global Equity                   | 4.9% |
| IFSL Evenlode Global Equity             | 4.7% |
| Palm Harbour Global Value               | 3.9% |
| Latitude Global                         | 3.9% |
| Landseer Global Artificial Intelligence | 3.9% |
| WS Havelock Global Select               | 3.7% |
| AVI Global Special Situations           | 3.7% |
| Nutshell Growth                         | 3.2% |
| Wellington Global Stewards Fund         | 2.9% |
| Third Avenue Global Value               | 2.7% |
| Liontrust Global Dividend               | 2.5% |
| WS Amati Global Innovation              | 2.0% |
| Kempen (Lux) Global Value               | 1.9% |
| > Langdon Global Smaller Companies      | 1.7% |
| Redwheel Global Intrinsic Value         | 1.6% |
| Heriot Global Smaller Companies         | 1.5% |

#### UK Equity Funds: 20.0%

|                                       |      |
|---------------------------------------|------|
| WS Gresham House UK Smaller Companies | 4.3% |
| Premier Miton UK Value Opportunities  | 4.1% |
| VT Castlebay UK Equity                | 3.9% |
| SVS Dowgate Cape Wrath Focus          | 3.8% |
| WS Whitman UK Small Cap Growth        | 2.5% |
| VT Tyndall Unconstrained UK Income    | 1.5% |

#### North American Equity Funds: 9.4%

|                                      |      |
|--------------------------------------|------|
| HC Snyder US All Cap Equity          | 3.5% |
| Spyglass US Growth                   | 3.0% |
| Pacific North American Opportunities | 1.5% |
| > Iridian US Corporate Change Equity | 1.4% |

#### Asia & Emerging Market Equity Funds: 8.3%

|                                           |      |
|-------------------------------------------|------|
| Schroder Emerging Markets Value           | 2.4% |
| Skerryvore Global Emerging Markets        | 1.9% |
| > Merlin Fidelis Emerging Markets         | 1.3% |
| HC Sephira Global Emerging Markets        | 1.1% |
| GIB AM Emerging Markets Active Engagement | 1.0% |
| Chikara Indian Subcontinent               | 0.7% |

#### European Equity Funds: 6.9%

|                                       |      |
|---------------------------------------|------|
| > M&G European ex UK                  | 2.5% |
| > Mirabaud Discovery Europe ex UK     | 1.9% |
| WS Montanaro European Small & Mid Cap | 1.4% |
| Invesco European Focus                | 1.0% |

#### Japanese Equity Funds: 5.9%

|                                      |      |
|--------------------------------------|------|
| Zennor Japan Fund                    | 4.1% |
| HC Cadira Sustainable Japan Equity   | 1.5% |
| Nissay Japan Contrarian Value Equity | 0.3% |

#### Cash and Money Market, GBP: 0.6%

|                |      |
|----------------|------|
| Pound Sterling | 0.6% |
|----------------|------|



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The MGTS Downing Fox Funds

