

Overall Rating: **BUY**

MGTS Downing Fox 100% Equity

Buy Report ~ September 2025



Portfolio Manager:
Simon Evan-Cook, Alex Paget

OCF:

(F) 0.90%
(A) 1.00%

Yield:

1.15%

ISIN:

GB00BQBCVB41

Launch:

2023

Executive Summary

QuantQual awards the Downing Fox 100% Equity Fund our highest Gold rating. We believe this fund offers a compelling opportunity for investors seeking consistent long-term growth through a disciplined, active, and diversified equity strategy.

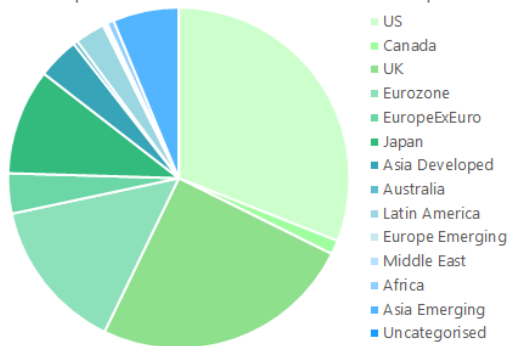
The managers blend specialist funds across styles, regions, and company sizes, favouring high-quality, often boutique managers that avoid overconcentration in fashionable themes.

This approach supports resilience across market cycles and positions the fund to capture upside in undervalued areas. Its clear objective is to deliver medium-to-long-term capital growth by investing entirely in equities.

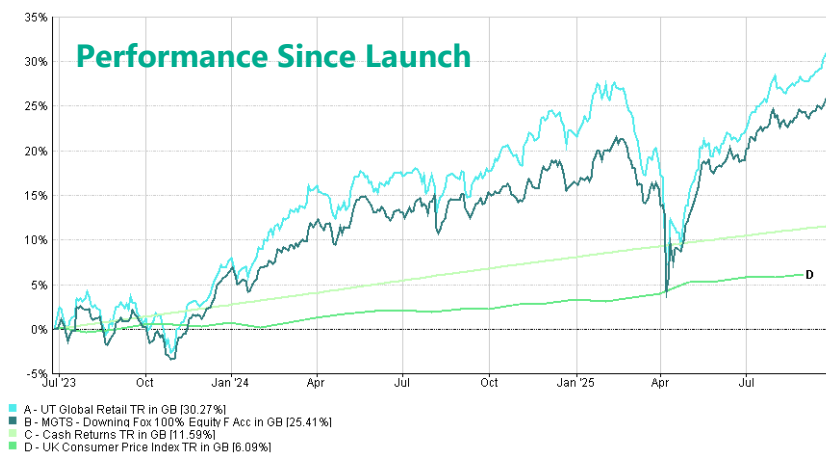
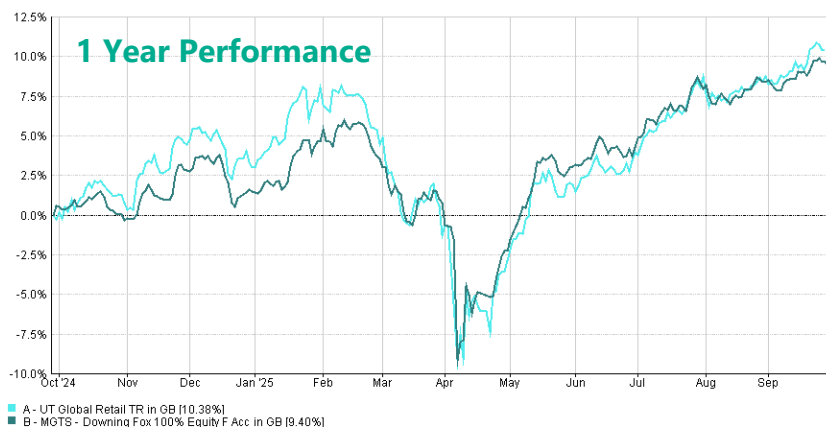
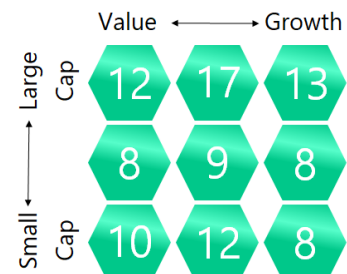
Cumulative Performance	6 months	1 year	2 years	5 years
Downing Fox 100% Equity	7.97	10.02	23.29	-
UT Global Retail	8.27	10.73	25.22	54.60

2 Year Ratios	Alpha	Sharpe	Info	Downside Capture	Upside Capture
Downing Fox 100% Equity	1.74	0.86	-0.18	64.82	75.76
UT Global Retail	0.00	0.00	0.00	100.00	100.00

The **Equity Geographical Allocation** chart below reflects the composition of the combined overall portfolio



The **equity style** chart to the right reflects the composition of the combined overall portfolio



Why is Now a Good Time to Invest?

Recent market conditions create an attractive backdrop for the Downing Fox 100% Equity Fund. Years of investor preference for large, global companies have left many smaller and mid-cap businesses under-owned, despite strong fundamentals and improving prospects. Valuations in these areas now look compelling, especially in the UK, where sentiment has been unusually cautious. As interest rates stabilise and expectations of recovery grow, we see a favourable environment for these companies to be re-rated, giving investors the chance to benefit from a part of the market overlooked for too long.

That said, the fund's design means it can be a good entry point at any time. Its strength lies in blending carefully chosen active managers across styles, geographies, and company sizes, avoiding the risks of chasing trends or relying on single themes. Unlike most ranges, Downing Fox offers greater diversification further down the market cap, providing access where many peers do not.

This approach ensures resilience across cycles, making the fund as relevant in downturns as in recoveries. Whether markets are favouring smaller companies, defensive growth, or value disciplines, the fund is built to capture opportunities while maintaining balance. It is a reliable option for those seeking long-term capital growth without being tied to one specific market moment.

Benchmarks

Cash Returns: Represents returns from holding capital in a savings account — a baseline for low-risk, low-return comparison.

CPI (Consumer Price Index): Measures inflation to show how rising prices reduce your buying power over time.

UT Global Retail: QuantQual's standard benchmark for this risk profile — enables like-for-like fund comparison and consistent performance assessment.

Who is this Suitable for?

- Growth-focused investors – those seeking long-term capital appreciation through a fully equity-based portfolio with no dilution from defensive assets.
- Investors comfortable with equity risk – suitable for investors who can tolerate short-term volatility in exchange for the potential of stronger long-term returns.
- Diversification seekers – investors who value access to a carefully blended mix of specialist managers, styles, and global markets, with added exposure to smaller and mid-sized companies often missed by concentrated or passive approaches.
- Contrarian and opportunity-driven investors – those wishing to capture upside from undervalued areas such as UK small- and mid-cap equities, while still maintaining broad global diversification.

Who is this not Suitable for?

- Investors with a low tolerance for risk – those unwilling to accept the fluctuations that come with being fully invested in equities may find the volatility uncomfortable.
- Short-term investors – anyone seeking guaranteed outcomes or looking for stable returns over a short horizon is unlikely to find this fund appropriate.
- Investors preferring passive, low-cost index exposure – the fund is actively managed, deliberately avoids large-cap concentration, and may lag during narrow, momentum-driven rallies dominated by mega-cap stocks.
- Those requiring defensive assets – investors who need bond or cash allocations built in for downside cushioning should instead consider lower-equity versions of the Fox range.

Why Now?

Now is a timely opportunity to invest in the Downing Fox 100% Equity Fund. For several years, global investors have favoured large-cap stocks, particularly in the US, leaving many high-quality smaller and mid-sized companies overlooked. This has created unusually attractive valuations, especially in the UK, where sentiment has been particularly cautious despite resilient fundamentals. With interest rates stabilising and signs of improving economic confidence, these undervalued businesses are well placed to benefit from a re-rating as markets broaden beyond a narrow group of dominant mega-caps.

The Downing Fox 100% Equity Fund is designed to capture precisely these types of opportunities through its selective use of specialist, often boutique managers with strong track records in less efficient market areas. By blending styles and geographies, the fund reduces reliance on any single theme, ensuring resilience across cycles. This makes today's environment a compelling entry point, while the fund's structure also supports long-term investing at any stage of the market.

What to Expect?

Investors in the Downing Fox 100% Equity Fund can expect a strategy designed to deliver attractive long-term growth by investing exclusively in equities through a carefully selected blend of active managers. The portfolio is deliberately diversified across regions, styles, and company sizes, with an emphasis on quality, smaller, and often overlooked opportunities. This approach aims to capture meaningful upside while avoiding the risks of overconcentration in fashionable sectors or mega-cap dominated indices.

However, there will be periods when the fund may lag peers. In particular, during narrow, momentum-driven rallies led by a handful of global technology giants, or when passive indices surge, the fund's diversified and contrarian positioning may underperform. Similarly, in extreme market environments dominated by highly concentrated growth themes, the strategy's balance can appear less competitive in the short term.

We believe such phases are temporary. With strong stewardship, a disciplined process, and a long-term focus, the fund is designed to reward patient investors. Its philosophy of blending specialist managers and maintaining style neutrality has historically delivered resilience and recovery, meaning that periods of underperformance should be seen as part of a journey towards sustainable long-term returns.

Quant Screen Process (QSP)

Our initial research consists of running each available fund within each risk profile through a Quant Screen.

Key attributes that are assessed during the QSP:

OCF; Manager Tenure; Cumulative returns (1 month, 3 months, 6 months, 1 year, 2 years, 3 years & 5 years); Positive monthly returns over 3 years; negative monthly returns over 3 years; Alpha; Sharpe; Sortino; Information ratios; Volatility (over 1 month, 3 months, 6 months, 1 year, 2 years, 3 years & 5 years); Downside Risk; Downside Capture; and Upside Capture.

Important note: We consider the QSP merely the beginning of the research process. It helps us identify consistent funds that have posted superior data to contemporaries within the risk profile. The limitations to the QSP, as with any Quant Screen, is that it is a very backwards looking way to assess an investment.

Therefore, we spend the majority of our time conducting the qualitative research, which involves a number of meetings with each fund manager.

Disclaimer

When recommending a buy, sell, or hold, quants should be of secondary concern as they only provide past information, providing no guarantee of future performance. However, they are not all we have to go on. We use the data purely as a guide to try and help understand what is next. While we carefully and methodically assess each investment before we label it with a buy, sell, or hold rating, we cannot guarantee future performance. The industry can sometimes move quickly, with fund managers and analysts moving on, mergers, and takeovers. There are also market risks, such as geopolitical risks and natural disasters that have the potential to surprise and may affect one portfolio to a greater degree than another.

