Overall Rating: ***BUY***

MGTS Downing Fox 40% Equity

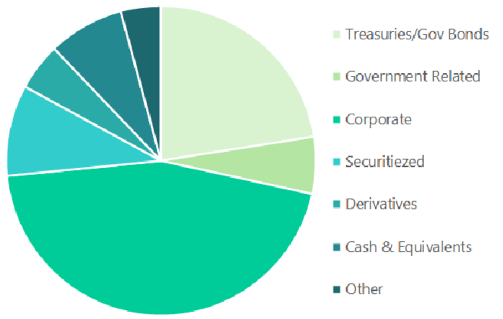
Buy Report ~ September 2025

Portfolio Manager:	OCF:	Yield:	ISIN:	Launch:
Simon Evan-Cook, Alex Paget	(F) 0.36% (A) 0.40%	2.08%	GB00BQBCTW16	2023

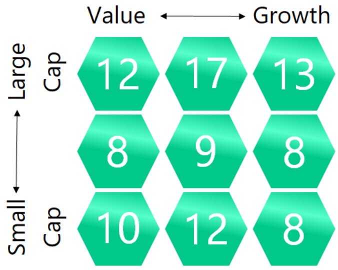
Cumulative Performance	6 months	1 year	2 years	5 years
Downing Fox 40% Equity	4.85	5.62	13.96	-
IA Mixed Investment 20-60% Shares	5.80	7.16	17.68	26.16

2 Year Ratios	Alpha	Sharpe	Info	Downside Capture	Upside Capture
Downing Fox 40% Equity	0.24	0.76	-1.07	67.78	74.51
IA Mixed Investment 20-60% Shares	0.00	0.00	0.00	100.00	100.00

The **Bond Sector Allocation** chart below reflects the composition of the combined overall portfolio

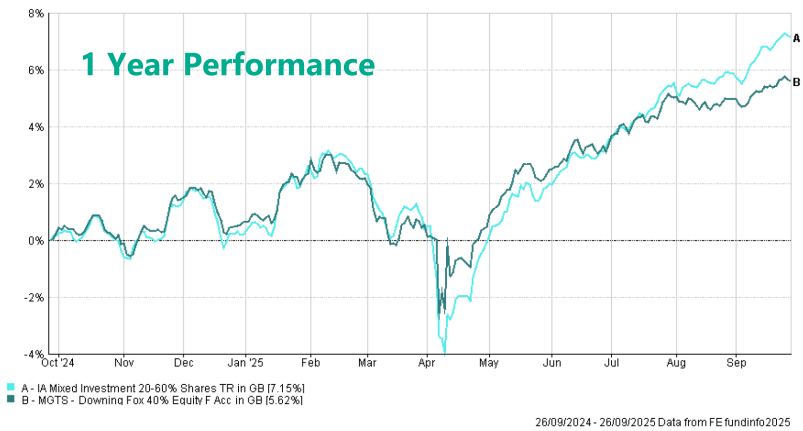


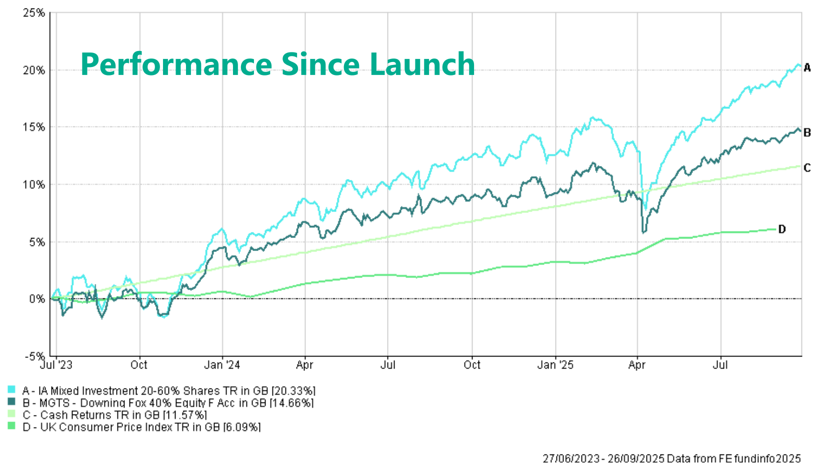
The **equity style** chart to the right reflects the composition of the combined overall portfolio



Executive Summary

QuantQual assigns the Downing 40% Equity Fund a Gold rating—our highest level of conviction. This reflects our view of the fund as a high-quality, resilient core holding suitable for long-term investors. The fund stands out for its thoughtful asset allocation, strong governance standards, and effective use of active management. It offers a balanced blend of equity exposure and capital preservation strategies. Its design helps navigate varied market conditions while aiming to protect against downside risk and deliver steady long-term growth. The fund seeks capital growth over the medium to long term by investing approximately two-fifths of its portfolio in actively managed funds offering global equity exposure, including allocations to the UK, Europe, and North America. The remainder is invested across cash, money-market instruments, and government bonds to reduce volatility. The investment team dynamically manages this mix to adapt to evolving market conditions while retaining diversification and a clear risk-conscious approach.





Why is Now a Good Time to Invest?

Recent market conditions highlight the appeal of the Downing 40% Equity Fund. With inflation beginning to settle and interest rates reaching their peak in many countries, more investors are looking for balanced strategies that can still grow their money while keeping risks lower. This fund is designed for that environment. By combining global shares with high-quality government bonds and cash, it aims to capture growth when markets rise, while the bond portion provides protection if the economy slows or markets fall.

In today's uncertain world—where politics, global events, and different central bank decisions all affect markets—the ability to spread investments widely and adjust when needed is more important than ever. The Downing 40% Equity Fund is actively managed and invests across many countries and industries, helping it respond to changes and reduce risk compared with less flexible approaches.

The real strength of the fund is its long-term design. It is built to grow steadily over time, protect capital during downturns, and take part in stock market gains without exposing investors to unnecessary swings. For clients looking for resilience and consistent outcomes, there is rarely a "bad" time to invest — and with today's economic uncertainty, now could be an especially good opportunity.

Finally, as one of the least volatile multi-asset funds in its sector, the Downing 40% Equity Fund is a strong choice for advisers building retirement plans, particularly where sequencing risk (the risk of poor returns early in retirement) is a concern.

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.

IA Mixed Investment 20-60% Equity: QuantQual's standard benchmark for this risk profile — enables like-for-like fund comparison and consistent performance assessment.

Who is this Suitable for?

- Long-term investors seeking steady capital growth with a medium-to-low risk profile, typically over a five-year horizon or longer.
- Cautious investors who want equity market participation but also value downside protection through fixed income and cash exposure.
- Those navigating uncertain markets, including retirees or professionals approaching retirement, who prefer a diversified, actively managed solution that balances opportunity and resilience.
- Investors seeking simplicity, who want a single, well-structured core holding that blends global equities with capital-preserving assets and adapts dynamically to changing conditions.
- For investors planning for retirement and drawdown, this fund offers a low-volatility option designed to help protect their income and reduce the long-term impact of market ups and downs.

Who is this not Suitable for?

- Short-term investors looking to withdraw their capital within three years, as the fund is designed for medium to long-term growth.
- High-growth seekers who prefer full equity exposure and are comfortable with higher volatility in pursuit of maximum returns.
- Investors unwilling to accept any capital fluctuation, since the fund does carry investment risk and may experience periods of negative performance.
- Those looking for niche or thematic exposure, as the fund follows a broadly diversified, balanced approach rather than focusing on specific sectors, geographies, or trends.

Why Now?

With inflation easing and central banks nearing the end of their rate-hiking cycles, markets are entering a transition phase—favouring portfolios that can balance risk and reward. The Downing 40% Equity Fund is well-suited to this moment. Its blend of global equities and stabilising fixed income assets offers a resilient structure for navigating an uncertain macroeconomic landscape. While equity markets are positioned to benefit from improved sentiment and slowing inflation, bond allocations provide crucial downside protection if volatility returns.

Recent geopolitical tensions and divergent regional recoveries underscore the need for broad diversification and active management—both core features of this fund. It is also particularly timely for those seeking to re-enter markets cautiously after the turbulence of recent years.

That said, the fund's strength lies in its consistency. It is built to deliver steady outcomes through all stages of the cycle—so while now presents a compelling entry point, it is just as suitable for long-term investors at any time.

What to Expect?

Investors in the Downing 40% Equity Fund can expect a thoughtfully balanced investment approach that aims to deliver steady, long-term capital growth while managing downside risk. The fund combines a carefully curated selection of actively managed global equity funds with a substantial allocation to high-quality fixed income and cash-equivalent assets. This structure is designed to provide smoother returns across market cycles, offering participation in rising markets while mitigating the impact of drawdowns.

However, in periods of strong equity rallies—especially those driven by highly speculative or concentrated sectors—the fund may lag more aggressive, equity-heavy strategies. Similarly, in sharp inflationary spikes where both equities and bonds struggle simultaneously, short-term performance may be pressured.

In such periods, patience is key. The fund's high standards of stewardship, prudent asset allocation, and long-term mindset are built to withstand temporary setbacks. Investors who remain committed are likely to benefit from the fund's eventual recovery and renewed performance, supported by disciplined, quality-focused management.

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