

Overall Rating: **BUY**

MGTS Downing Fox 80% Equity

Buy Report ~ September 2025



Portfolio Manager:

Simon Evan-Cook, Alex Paget

OCF:

(F) 0.72%
(A) 0.80%

Yield:

1.52%

ISIN:

GB00BQBCV580

Launch:

2023

Executive Summary

QuantQual rates the Downing Fox 80% Equity Fund at Gold, our highest rating, recognising its disciplined structure and strong investment philosophy. The fund blends a growth allocation of actively managed equity strategies with a defensive element of government bonds and cash, creating resilience across different market conditions.

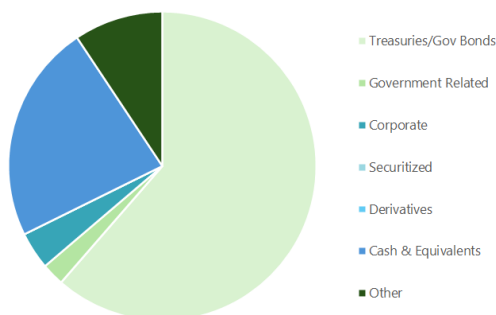
By focusing on diversification across styles, geographies, and company sizes, it avoids over-reliance on narrow themes while maintaining simplicity and cost efficiency.

Its objective is to deliver consistent long-term capital growth, supported by experienced managers committed to quality, contrarian thinking, and sustainable portfolio construction.

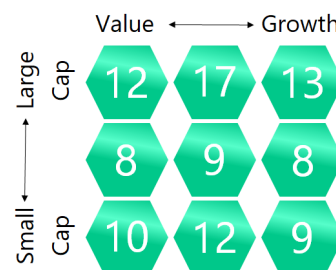
Cumulative Performance	6 months	1 year	2 years	5 years
Downing Fox 80% Equity	6.85	8.48	20.00	-
AFI Aggressive	8.47	10.25	23.13	39.56

2 Year Ratios	Alpha	Sharpe	Info	Downside Capture	Upside Capture
Downing Fox 80% Equity	0.56	0.84	-0.52	78.16	80.84
AFI Aggressive	0.00	0.00	0.00	100.00	100.00

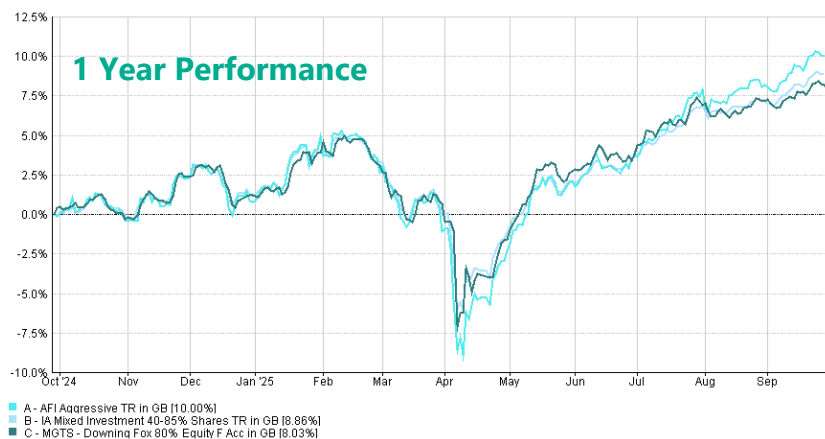
The **Bond Sector Allocation** chart below reflects the composition of the combined overall portfolio



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

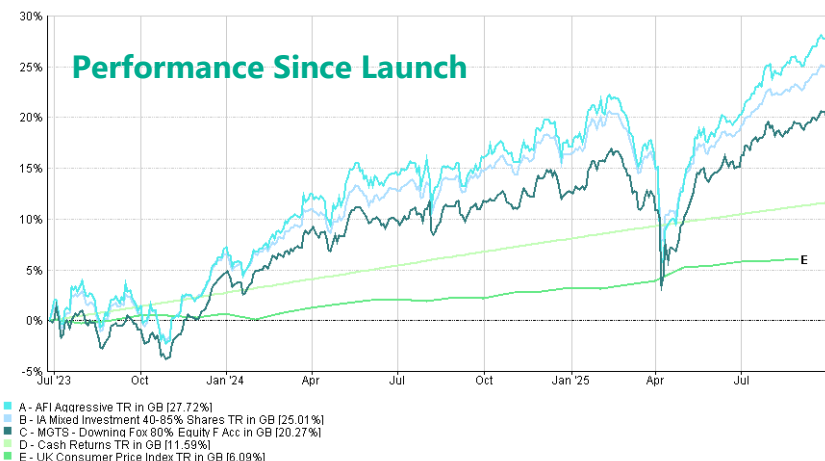


1 Year Performance



27/09/2024 - 29/09/2025 Data from FEfundinfo2025

Performance Since Launch



27/06/2023 - 29/09/2025 Data from FEfundinfo2025

Why is Now a Good Time to Invest?

The Downing Fox 80% Equity Fund is particularly well placed for the current market environment. After several years in which global indices have been driven by a handful of very large technology companies, investor attention is beginning to broaden.

Valuations in UK small and mid-cap companies remain attractive, having been overlooked for an extended period, and the fund has actively increased exposure to this space. As inflation pressures ease and interest rates stabilise, the environment is becoming more supportive for these under-owned businesses, which could see meaningful re-ratings as sentiment improves. The fund's contrarian and style-diverse approach positions it to capture such opportunities without relying on any single theme or market event.

At the same time, one of the core strengths of the strategy is its fixed balance of growth and defence, which means it is designed to remain resilient across all conditions.

While current market shifts make now an especially compelling entry point, the consistency of the approach ensures that anytime is a good time to invest, as investors benefit from long-term diversification, disciplined risk management, and access to high-quality active managers. This reliability makes the fund a strong candidate for patient, outcome-focused investors.

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 40-85% Equity: The Benchmark Downing Fox use for this portfolio.

AFI Aggressive: 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 growth seekers – investors aiming for capital appreciation over many years, comfortable with equity-led strategies.
- Balanced risk-takers – those wanting high equity exposure but with a defensive cushion through government bonds and cash.
- Diversification-focused investors – individuals who value exposure across geographies, company sizes, and investment styles rather than reliance on a single theme. It is particularly useful for investors looking for a Multi-Asset fund which offers exposure to equities further down the market cap.
- Advised clients and outcome-oriented investors – people who prefer a disciplined, consistent approach that avoids emotional market timing and benefits from professional active manager selection.

Who is this not Suitable for?

- Short-term traders – investors seeking quick gains or who may be unsettled by periods of market volatility.
- Capital preservation only investors – those whose priority is avoiding any loss and who cannot tolerate equity market risk.
- Passive index trackers – individuals who prefer ultra-low-cost, benchmark-hugging strategies and are not interested in active manager selection.
- Highly concentrated theme-chasers – investors wanting heavy exposure to trending sectors such as large-cap U.S. technology stocks or momentum-driven rallies.

Why Now?

Now is a particularly compelling time to consider the Downing Fox 80% Equity Fund. Markets have recently been dominated by a narrow set of very large companies, particularly in the U.S. technology sector, leaving many smaller and mid-sized businesses undervalued and under-owned.

With inflation showing signs of easing and interest rates stabilising, conditions are improving for these overlooked companies, especially in the UK, where valuations are historically attractive. The fund has already taken advantage of this by selectively increasing exposure to high-quality small-cap opportunities that could benefit from a broadening of market leadership.

At the same time, the fund's diversified, style-neutral approach ensures investors are not reliant on a single market trend or region for returns. Its blend of growth and defensive assets provides balance through different conditions, giving investors confidence that they are positioned for both upside potential and resilience. While the current environment strengthens the case, its disciplined structure makes it a sound long-term choice at any point in the cycle.

What to Expect?

Investors in the Downing Fox 80% Equity Fund can expect a disciplined approach that aims to deliver attractive long-term returns through a carefully blended portfolio of active equity managers and defensive assets. The fund is designed to participate meaningfully in rising markets, particularly when gains are more broadly spread across different regions, sectors, and company sizes.

Its contrarian, style-diverse approach allows it to uncover opportunities in areas that may be undervalued or overlooked, while the defensive allocation provides resilience when conditions are more challenging.

That said, the fund may underperform during periods where markets are led almost exclusively by a handful of mega-cap growth stocks, or in momentum-driven rallies where concentrated, passive strategies dominate. These are environments where its diversified structure and selective approach can appear less competitive in the short term. However, such phases are usually temporary.

With experienced managers at the helm, and a long-term philosophy that prioritises sustainability over short-term fads, investors can be confident that patience will be rewarded and the fund is well placed to return to form as market leadership broadens again.

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.

