

DOWGATE DIGEST

JULY 2025

The FTSE 100 index hit an all-time high of 9,000 in July, forty-one years after its launch in 1984 at 1,000. The peak came after a staggered recovery from an 11% drop in April following President Trump's announcement on Liberation Day of his wide-ranging Tariffs.

Overall, the UK's blue-chip index has risen by over 10% since the beginning of 2025 and 9.1% in the last three months. The UK stock market is full of prominent companies that are leaders in their fields and while the UK lacks the kind of technology opportunities found in the US, it excels in financials, natural resources, healthcare, industrials and data analytics.

In contrast, the S&P 500 and the tech-heavy Nasdaq have only expanded by 6.5% and 6.8%, respectively, since 1st January 2025, but their recovery in the last three months has been sharper, with both indices rising by 15.9% and 22.6%, respectively.

Since Trump unleashed his tariff policy on US trading partners the consensus on the US market can be summed up with TACO (Trump Always Chickens Out) and TINA (There is No Alternative), but it is more expensive than the UK market which is still good value despite the long-awaited rally.




Lorna Tilbian
Co-Chair, Dowgate Group



CORPORATE BROKING & ADVISORY

Recent Transactions

An active quarter for our Corporate team, despite challenging market conditions. Whilst we are seeing early and encouraging signs of stability returning to the UK equity market, a more sustained recovery will require stability and a clear improvement in key economic indicators.

 <p>Process Vision Ltd</p> <p>Private Placing</p> <p>Adviser & Broker</p> <p>April 2025</p>	 <p>National World plc</p> <p>£65m Recommended Cash Offer by Media Concierge Limited</p> <p>Adviser & Broker</p> <p>May 2025</p>	 <p>Synapse Media Technologies Ltd</p> <p>Combined Private Placing</p> <p>Adviser & Broker</p> <p>May 2025</p>
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FUNDS UPDATE



Releasing its half year results last week, Onward Opportunities continues with positive momentum. As at 30 June it's NAV per share of 128.41 pence, equates to a total return of +10.39% over 12-months, and outperformed the UK AIM All Share index Total Return by +31.6%. This helped it cement it's place as a top decile performer amongst peers in the sector over 2-years with the Portfolio Manager ranked second out of all peers on Citywire Ratings for UK Smaller Companies.

Cape Wrath meanwhile continues to find opportunity amongst companies that are 'unloved' by the market. As an illustration of the strategy, a new holding (Ricardo (RCDO)) was added to the portfolio in May, exiting after 6 weeks for a return of roughly 60%.

DIGITAL TRANSFORMATION & GROWTH CONFERENCE 2025

Last call for those interested in attending our Digital Transformation & Growth Conference on 9 September.

Hosted at FTI's offices in the City, speakers include Sir Martin Sorrell and leaders from Franchise Brands, Speedy Hire, GB Group and System 1. We're hoping the good weather continues so that we also get to enjoy post-conference drinks and canapés on their impressive rooftop terrace!

Please click [here](#) to register your interest.



The value of investments, and any income from them, can fall as well as rise so you could get back less than you invest. Past performance is not a reliable indicator of current or future performance. We believe the information provided here is reliable but should not be assumed to be accurate or complete. This is a marketing communication document.

MARKET NEWS :Q3 OUTLOOK



Over H1, UK equities performed relatively well. In sterling terms, the S&P 500 was down 3%; the NASDAQ 100 was up 11%; the FTSE 100 was up 8%; the FTSE 250 was up 5%; and the AIM 100 was up 6%.

Fiscal expansion in both the US and Europe, the latter heavily disguised as increased defence spending, a falling dollar, and lower energy prices, has led to some frothy market signals. These include increased speculative SPAC issuance in the US and several UK microcap companies experimenting with Bitcoin-backed issuance strategies.

Bond markets continue to pose a challenge for the UK and US governments, as neither seems capable of reducing its fiscal deficit. However, the UK Treasury is more constrained by vigilant bond investors than its US counterpart.

However, the UK equity market remains attractive. Peel Hunt estimates that in the first five months of this year, there were 30 bids for UK companies with a market capitalisation of over £100m, totalling a value of £25bn, with an average takeover premium of 43%. However, there was only one IPO, demonstrating not just the undervaluation of UK companies but also their increasing scarcity.

But in a de-globalising world with increasing fiscal policy dominance and elevated inflation, value remains preferable to growth, and hard assets are likely to remain better risk mitigants for equity portfolios than government bonds.

Jeremy McKeown
Editor & Market Strategist



DOWGATE GROUP GOLF DAY



We returned to Brocket Hall for our annual Golf Day in May and were grateful the weather held while Julia Choudhury of Franchise Brands swept the board with both the individual and team best scores!

DOWGATE WEALTH TOWNHALL & BBQ



Following a busy first half of the year and with exciting plans ahead for the next 12-18 months, Dowgate Wealth CEO Stuart Parkinson brought the teams together last month to connect, share insights, and enjoy some early evening sunshine.

DOWGATE CAPITAL FAREWELL PARTY & BBQ



Last month we gave a rousing send-off to Colin Climie Graduating from Oxford, Colin spent most of the early part of his career at Panmure Gordon. With turns at Investec and Mirabaud, Colin joined Dowgate in September 2017. His departure felt like a perfect excuse to fire up the BBQ in the office courtyard, and share stories from his City career. All the best Colin!

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