

Luna MPS Active 4

As of 31/03/2021



Market Commentary

Another month has passed by and in doing so the number of individuals receiving a Covid-19 vaccination in the UK and US has continued increase at extraordinary speed. The backdrop is certainly improving thanks to a successful vaccination programme which in the UK's case has seen nearly all those individuals most at risk having now received their first vaccination and on course to have the entire adult population vaccinated by July. The UK vaccination programme has been a huge success and means that as we are writing this the UK is gradually emerging from restrictions that have been with us now for over a year. The same currently cannot be said about other countries vaccination rollout and in particular, the EU. We live in a globalised world and the fortunes of our largest trading partner matter.

During the month, the recent trend of government bond prices falling and therefore yields moving higher continued as investors see stronger economic growth and with it potentially higher levels of inflation. Whilst this is bad for bonds, the same is not true for equity markets and they delivered positive returns in March with

the US stock markets; Dow Jones Industrial Average, Nasdaq and S&P 500, all close to all time highs towards the end of the month.

From an equity market style perspective, the funds with either "income" or "value" in their name have been the better performing during the month as these funds invest in companies that are recovering from lows, having been heavily unloved and oversold during 2020. On the flip side, the big winners of 2020 those funds that are more growth/technology orientated gave back some of those strong returns.

Looking forward, we continue to be optimistic about the economic and investment outlook. We view the global economy like a "coiled spring", with the expectation that the easing of restrictions could lead it to bursting into life. As and when this happens, it will likely lead to a boom in economic growth. We have longed to see friends and family, we have longed to travel, the roadmap has been set out and is currently on track.

Key Information

| | |
|------------------------------|------------------------|
| Launch Date | 01/06/2020 |
| Initial Fee | 0% |
| Luna AMC | 0.25% (+ VAT) |
| Ongoing Charge Figure (%) ** | 0.64 |
| Yield (%) * | 1.48 |
| Number of Holdings | 27 |
| My Sector | IA Mixed 40-85% Shares |

* This is the weighted yield across the underlying holdings

** This is the weighted OCF across the underlying holdings and does not include incidental/transactional costs.

Top 10 Holdings

| | Portfolio Weighting % |
|--|-----------------------|
| L&G UK Index I Acc | 8.0 |
| Atlantic House Defined Returns B GBP Acc | 6.0 |
| iShares North American Eq Idx (UK) D Acc | 6.0 |
| LF Lindsell Train UK Equity Acc | 6.0 |
| Baillie Gifford Emerging Mkts Gr B Acc | 5.0 |
| JOHCM UK Equity Income Y GBP Inc | 5.0 |
| Royal London Sustainable Leaders C Acc | 5.0 |
| ASI UK Income Unconstrained Eq P1 Acc | 4.0 |
| Baillie Gifford American B Acc | 4.0 |
| Baillie Gifford Japanese Inc Gr B £ Inc | 4.0 |

Objective

The primary objective of this portfolio is to achieve above average capital growth and the portfolio therefore adopts a moderate to higher risk approach. The portfolio is diversified across most asset classes but has a bias towards equities.

Investment Team

The Luna Model Portfolios are managed by the Luna Investment Committee. The Luna Investment Committee is chaired by Alex Brandreth, Chief Investment Officer. Alex joined the firm in March 2020 and is responsible for co-ordinating the overall investment strategy at Luna from asset allocation to security selection.

Asset Allocation

