

Luna MPS Passive Income 2



As of 31/10/2022

Objective

The primary objective of this portfolio is to achieve a moderate level of capital growth and the portfolio therefore adopts a moderate risk approach. It is anticipated that a substantial proportion of the total return will come from income. The portfolio is diversified across different asset classes; equities, fixed income and alternative assets.

Key Information

Launch Date	01/06/2020
Initial Fee	0%
Luna AMC	0.2%
Ongoing Charge Figure (%) **	0.33
Running Yield (%) *	3.39
Number of Holdings	25
Performance Comparator	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.

Investment Growth

Time Period: 01/06/2020 to 31/10/2022



— Luna MPS Passive Income 2 112.3 — IA Mixed Investment 40-85% Shares 109.2

Total Return - Trailing

Data Point: Return

	3 Months	6 Months	YTD	1 Year	3 Years	5 Years
Luna MPS Passive Income 2	-4.3	-6.0	-7.5	-5.1	—	—
IA Mixed Investment 40-85% Shares	-4.9	-6.7	-12.2	-10.6	2.1	2.5

Performance Calculation: All income is reinvested. Performance is shown inclusive of underlying fund charges but gross of Luna's investment management charge. Deduction of this charge will have the result of reducing the illustrated performance. A platform charge is applicable. Please refer to your investment adviser or investment administrator for details. Performance is calculated through Morningstar Direct and provided for illustrative purposes only and should not be viewed as the performance of a specific client account. The IA sector used is a relevant performance comparator for this MPS, with IA standing for Investment Association. Inception Date of 01 June 2020.

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Investment Team

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

Market Commentary

UK political developments continue to take centre stage. We now have a new Prime Minister, another new Chancellor and with it almost a complete reversal of the "mini-budget" announced at the end of September. The government U-turn has been welcomed by markets with sterling recovering from its lows, UK government bond (Gilts) prices picking up and global stock markets having a strong month. The Dow Jones Industrial Average surged 14% in October, its best month since January 1976. The Nasdaq Composite, which is more heavily weighted in technology and growth stocks, added less than 4% during the month. The S&P 500 split it down the middle, adding 8% in October. These returns are in US dollar terms and the recovery in the pound would have detracted for a UK investor. Closer to home, the FTSE 100 delivered a total return of 2.99%.

It was a mixed month from an economic data perspective in the UK; unemployment fell to the lowest level for 50 years, however, gross domestic product (GDP) is estimated to have fallen by 0.3% in August 2022. As well as this, a number of surveys produced

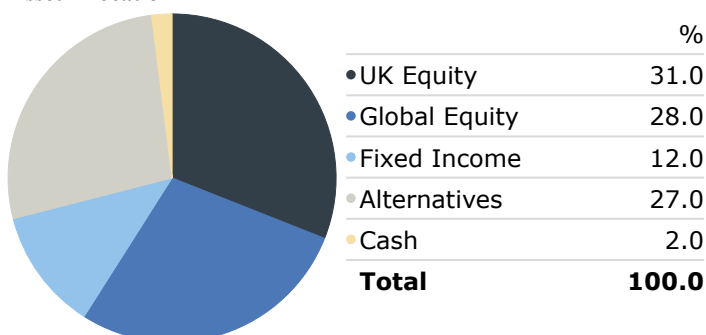
monthly to gauge the current strength of the manufacturing and service sectors moved into contraction territory. This weaker data is increasing the probability that the economy has gone into recession already.

The final two months of the year will be dominated by the same headlines that we have seen already in 2022. Now that the Chinese National Congress has finished, will the party look to change their Covid approach? Inflation in developed nations has probably now peaked, but how quickly does it fall back to more "normal" levels? Central banks will continue to move interest rates higher when they meet in November and December but when will they blink in the wake of a weakening economic backdrop? To top it off we also have US midterm elections to look forward to in November. From a seasonal and US election cycle perspective we are moving into traditionally a stronger period for stock markets.

Top 10 Holdings

	Portfolio Weighting %
L&G UK Index I Acc	14.1
Vanguard FTSE UK Eq Inc Idx £ Inc	8.2
Atlantic House Defined Ret I Inc GBP	6.2
SPDR® S&P US Dividend Aristocrats ETFDis	5.2
iShares UK Dividend ETF GBP Dist	5.2
iShares Corporate Bond Index (UK) D Inc	5.1
Schroder US Eq Inc Mxmsr Fund Z Inc £	5.0
iShares Glb Prpty Secs Eq Idx (UK) D Inc	4.9
Trojan O Acc	4.9
HSBC FTSE 250 Index S Acc	4.1

Asset Allocation



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