

Luna MPS ESG 4



As of 31/08/2023

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. The funds selected in this portfolio also have sustainability at the core of their investment thesis.

Key Information

Launch Date	01/03/2021
Initial Fee	0%
Luna AMC	0.25%
Ongoing Charge Figure (%) **	0.72
Running Yield (%) *	1.74
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: 01/03/2021 to 31/08/2023



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105.2 — IA Mixed Investment 40-85% Shares

102.8

Total Return - Trailing

Data Point: Return

	3 Months	6 Months	YTD	1 Year	3 Years	5 Years
Luna MPS ESG 4	0.4	-0.3	2.7	0.2	—	—
IA Mixed Investment 40-85% Shares	0.8	-0.2	2.9	0.4	10.6	15.3

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 managed 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. Alex is supported by Ben Eardley, the Deputy Fund Manager, who joined Luna in September 2020.

Market Commentary

Equity and bond markets gave back some of their more recent gains in August. It was a volatile month, with markets falling in the first half and staging a recovery as the month came to a close. The summer months always bring lower volume in markets which can make moves appear larger than they normally would have been. Markets were lower in the first half because of concerns around global growth, principally because of weaker data out of China. This was compounded by fresh Chinese property concerns after Country Garden struggled to make debt payments. Therefore, unsurprisingly, Chinese equity markets were weaker during the month and fell more than other global stock markets.

Purchaser Manager Indices often give a good insight into current activity in economies. Both the Manufacturing and Services data in the US and UK continued to deteriorate in August and is now in contraction territory which often signals a recessionary environment.

Much focus this year has been on Artificial Intelligence (AI) and who will be the key winners and losers. One company has been capturing the headlines here; Nvidia, the US chip manufacturer. During the month they posted another strong quarterly update moving the shares higher and helping US stock markets recover.

At the beginning of the month, the Bank of England increased interest rate again to 5.25% this is now the 14th increase since the end of 2021. This is on the backdrop of the persistently high inflation we are stilling feeling. Inflation fell during the month from 7.9% to 6.8%, still well above the 2% target. Across the pond, there was further evidence that the US and Federal Reserve have tackled this better with inflation now at 3.2%.

Top 10 Holdings

	Portfolio Weighting %
L&G Future World ESG Dev Idx I GBP Acc	8.1
Trojan Ethical Income X Inc	7.1
Liontrust Sust Fut UK Gr 2 Net Acc	5.9
Royal London Sustainable Leaders D Acc	5.0
LF Lindsell Train UK Equity Acc	4.9
Stewart Inv Gbl EM Sustnby B GBP Acc	4.9
Artemis US Smaller Companies I Acc GBP	4.2
Brown Advisory US Sust Gr GBP B Inc	4.2
Fundsmith Sustainable Equity I Acc	4.1
Aegon Ethical Cautious Managed GBP B Acc	4.0

Asset Allocation

