

Luna MPS Active Income 1



As of 29/02/2024

Objective

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

Key Information

| | |
|------------------------------|------------------------|
| Launch Date | 01/06/2020 |
| Initial Fee | 0% |
| Luna AMC | 0.25% |
| Ongoing Charge Figure (%) ** | 0.63 |
| Running Yield (%) * | 3.41 |
| Number of Holdings | 33 |
| Performance Comparator | IA Mixed 20-60% 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 29/02/2024



— Luna MPS Active Income 1 121.9 — IA Mixed Investment 20-60% Shares 112.6

Total Return - Trailing

Data Point: Return

| | 3 Months | 6 Months | YTD | 1 Year | 3 Years | 5 Years |
|-----------------------------------|----------|----------|-----|--------|---------|---------|
| Luna MPS Active Income 1 | 4.1 | 5.5 | 0.1 | 4.8 | 12.1 | — |
| IA Mixed Investment 20-60% Shares | 3.9 | 5.2 | 0.1 | 4.7 | 3.1 | 14.9 |

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

It was a mixed month for asset classes in February. Interest rate cut expectations had gone too far at the beginning of the year and market participants are now expecting this to be later in 2024 which has resulted in bond yields increasing during the month. When this happens bond prices fall, and most major bond markets delivered negative returns during the month. On the flip side, global economic growth indicators improved, coupled with strong earnings data announcements which helped propel some global stock markets to new all-time highs.

During the month it was announced that the UK is technically in recession following two negative quarters in the second half of 2023. Importantly though, this recession is very mild and one of the weakest on record. There are also signs that the UK may have already exited recession following comments from the Bank of England Governor Andrew Bailey on the back of stronger, more recent economic data. As well as this it was interesting to note the Governor mentioning that inflation doesn't need to fall back to the central bank

2% target before interest rate cuts come.

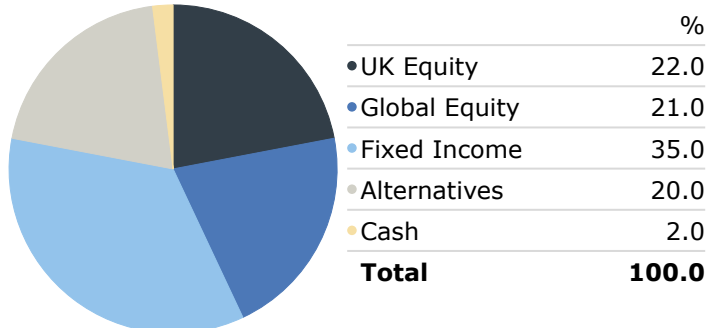
The Chinese equity market, the Hang Seng, led the way against major global equity markets in February, bouncing from the lows in recent years. However, the standout markets during the month were in Japan and the US. The Nikkei 225 closed the month at an all-time high, which was staggeringly last set on 29th December 1989! Strong earnings and share price performance from Nvidia, the Artificial Intelligence (AI) darling, helped propel US markets to fresh highs. The latest leg of its meteoric rise has made Nvidia the third most valuable company in the S&P 500, going beyond Alphabet and Amazon. Nvidia enjoyed the biggest one-day market value gain of all time—an astonishing \$276.75 billion. This was because of growing sales of their AI chips, margins improving and a strong order book looking forward.

Looking forward every major economic data point will be in focus with central banks being on standby mode.

Top 10 Holdings

| | Portfolio Weighting % |
|---|-----------------------|
| L&G All Stocks Gilt Index I Inc | 8.3 |
| BNY Mellon UK Income Inst W Acc | 5.0 |
| WS Evenlode Income B Inc | 5.0 |
| Royal London Short Duration Gilts M Inc | 4.4 |
| M&G Japan GBP I Acc | 4.2 |
| Veritas Global Real Return A Inc GBP | 4.0 |
| L&G UK Index I Acc | 4.0 |
| JOHCM UK Equity Income Y GBP Inc | 4.0 |
| Atlantic House Defined Ret I Inc GBP | 4.0 |
| Dodge & Cox Worldwide Global Bd GBP Inc | 4.0 |

Asset Allocation



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