

## Luna MPS Passive 3



As of 31/05/2024

### Objective

The primary objective of this portfolio is to achieve a moderate level of capital growth. The portfolio is diversified across different asset classes and adopts a moderate risk approach.

### Key Information

Launch Date	01/06/2020
Initial Fee	0%
Luna AMC	0.2%
Ongoing Charge Figure (%) **	0.27
Running Yield (%) *	2.74
Number of Holdings	28
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 31/05/2024



— Luna MPS Passive 3 131.6 — IA Mixed Investment 40-85% Shares 126.2

### Total Return - Trailing

Data Point: Return

	3 Months	6 Months	YTD	1 Year	3 Years	5 Years
Luna MPS Passive 3	3.8	8.8	4.6	11.8	12.9	—
IA Mixed Investment 40-85% Shares	3.1	8.9	4.5	10.6	7.8	28.0

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

May was a better month for markets with bond and equities delivering stronger returns. The key headline though will be that of the upcoming UK General Election that is going to take place in July. The market impact after the news was muted, with other economic forces and corporate activity driving markets. The main one being the UK Consumer Price Index reading which certainly caught the headlines with the rate falling to 2.3%, within a whisker of the Bank of England 2% target. This means it is likely that the Bank of England will start cutting interest rates in the coming month with August looking the most likely.

The UK is out of recession, not only that, the economy is bouncing back strongly. UK gross domestic product is estimated to have increased by 0.6% in Quarter 1 2024, following declines of 0.3% in Quarter 4 and 0.1% in Quarter 3 2023.

One thing we haven't touched on in recent commentaries is the amount of corporate activity going on, which is certainly having an impact on individual

companies and stock markets. This is either share buy backs, dividend announcements or Merger and Acquisition (M&A) activity. One of the largest companies in the FTSE 100, Shell, announced a massive \$3.5bn share buyback programme.

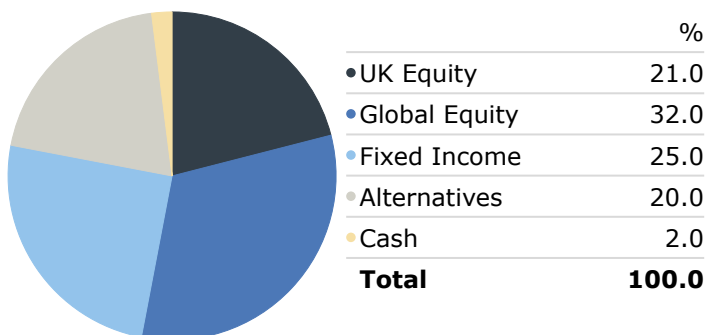
On the M&A front we are seeing takeovers across the breadth of the UK market and across a whole host of different sectors. In addition, this has encompassed relatively large companies rather than being solely at the small cap end of the market. One such proposed deal concerned mining giant Anglo American, which recently rejected a £34 billion bid from rival BHP Group. Hargreaves Lansdown, the FTSE 100-listed Bristol broker, rejected a takeover bid from a group of private equity firms.

In summary, it was a much better month with inflation falling, economic growth surprising to the upside and the upcoming election not causing too much volatility in the short term. This meant that both equities and bonds were able to deliver some attractive returns during May.

### Top 10 Holdings

	Portfolio Weighting %
L&G UK Index I Acc	8.3
Fidelity Index World P Acc	6.9
Vanguard FTSE UK Eq Inc Idx £ Inc	6.4
Atlantic House Defined Ret B GBP Acc	6.0
Trojan Fund X Accumulation	5.0
iShares Corporate Bond Index (UK) D Inc	4.9
Fidelity Index Japan P Acc	4.8
L&G Global Emerging Markets Index I Acc	4.0
iShares \$ TIPS 0-5 ETF GBP H Dist	4.0
Royal London Short Duration Gilts M Inc	4.0

### Asset Allocation



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