

Luna MPS Passive Income 2



As of 30/06/2024

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 (%) **	0.34
Running Yield (%) *	3.56
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 30/06/2024



— Luna MPS Passive Income 2 130.8 — IA Mixed Investment 40-85% Shares 127.9

Total Return - Trailing

Data Point: Return

	3 Months	6 Months	YTD	1 Year	3 Years	5 Years
Luna MPS Passive Income 2	1.8	5.1	5.1	12.2	12.9	—
IA Mixed Investment 40-85% Shares	1.7	5.9	5.9	11.8	7.2	26.0

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.

Luna Investment Management Ltd is a Company registered in England and Wales, registered number 12280396. Luna Investment Management Limited (FRN: 923454) is an appointed representative of Thornbridge Investment Management LLP (FRN: 713859) which is authorised and regulated by the Financial Conduct Authority and is the Investment Manager on the portfolio. Past performance is not a guide to future performance. The value of investments and any income from them can fall and you may get back less than you invested. Although the majority of holdings will be sterling denominated, the MPS is still exposed to currency fluctuations and fluctuations in currency value will mean that the value of your investment will move impact the holding. The information contained in this documentation has been taken from sources stated and is believed to be reliable and accurate, but without further investigation cannot be warranted as to accuracy or completeness. The MPS has a high level of liquidity because of the fact that the underlying funds held are all daily traded, and any purchases/sales settle on a T+2 basis. For further information, please refer to our conflicts policy which is available on request.

Source: Luna Investment Management and MorningstarDirect.

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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

June was a month dominated by political noise, UK inflation continuing to fall and Artificial Intelligence companies continue to be the big beneficiaries of this evolution. The prospects of interest rates being cut remains very much alive. Equity markets were mixed during the month.

We had good news on the inflation front with the UK Consumer Price Index (CPI) falling to 2%, in line with the Bank of England target for the first time in nearly three years. Across the pond, US inflation is proving to be slightly stickier, and the Federal Reserve have said that they expect only one interest rate cut in 2024. The European Central Bank did decide to cut interest rates by 0.25%. Closer to home, the announcement of the early UK election scuppered hopes of the Bank of England cutting rates in June but it is looking likely that they will reduce interest rates by 0.25% at the meeting in August. Against this backdrop UK government and corporate bonds delivered gains during the month.

As mentioned above, it was quite a surprise to most

(maybe not all betting politicians!) that the next UK election is going to be held on US Independence Day, the 4th July. At the time of writing, the result is unknown, however we do not expect this event to cause major volatility in the UK sterling, gilt or equity markets with both major political parties being relatively centrist and with little wriggle room.

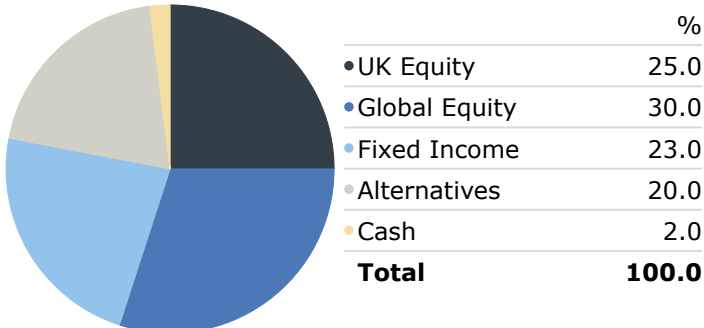
Nvidia surpassed Microsoft in the month to become the largest public company in the world. This was the key driver to markets in the month with Technology and the US market buoyed by the acceleration of Artificial Intelligence. The Nasdaq 100 was up over 7% during the month.

French President Emmanuel Macron was feeling bruised after the European Parliamentary elections and called a snap election. This news sent French assets (bonds and equities) tumbling in the month. This meant that the UK's main stock market retook its crown as Europe's most valuable for the first time in nearly two years, data shows.

Top 10 Holdings

	Portfolio Weighting %
L&G UK Index I Acc	8.0
Vanguard FTSE UK Eq Inc Idx £ Inc	8.0
Atlantic House Defined Ret I Inc GBP	6.0
L&G All Stocks Gilt Index I Inc	6.0
Fidelity Index Japan P Acc	5.0
iShares Corporate Bond Index (UK) D Inc	5.0
iShares UK Dividend ETF GBP Dist	5.0
SPDR® S&P US Dividend Aristocrats ETFDis	5.0
Trojan Fund X Accumulation	5.0
HSBC FTSE 250 Index S Acc	4.0

Asset Allocation



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