

## Luna MPS Passive Income 2



As of 30/09/2024

### 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 (%) *          | 3.38                   |
| 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 30/09/2024



— Luna MPS Passive Income 2 133.9 — IA Mixed Investment 40-85% Shares 130.0

### Total Return - Trailing

Data Point: Return

|                                   | 3 Months | 6 Months | YTD | 1 Year | 3 Years | 5 Years |
|-----------------------------------|----------|----------|-----|--------|---------|---------|
| Luna MPS Passive Income 2         | 2.4      | 4.3      | 7.6 | 13.5   | 13.8    | —       |
| IA Mixed Investment 40-85% Shares | 1.6      | 3.3      | 7.6 | 13.8   | 7.5     | 25.5    |

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 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 Seldian Curri, the Deputy Fund Manager, who joined Luna in March 2023.

### Market Commentary

The main news during the month was the larger than expected first interest rate cut by the Federal Reserve and the huge stimulus package out of China. Consumer confidence in the UK took a knock as we cautiously anticipate the forthcoming first Labour Budget at the end of October.

The US central bank lowered interest rates for the first time in four years in September. The much anticipated move will influence mortgages, credit card and saving rates for millions of people in the US - and even around the world. The Federal Reserve reduced the key lending rate by half a percentage point, to a range of 4.75% to 5%. Bond markets rallied into the news but sold off afterward the event, still ending the month in positive territory.

The Chinese economy has been under pressure over the last few years as its struggling property market has been a dark cloud impacting individuals and the banking system. This has had a knock-on impact on to investors' confidence in investing and China has been under

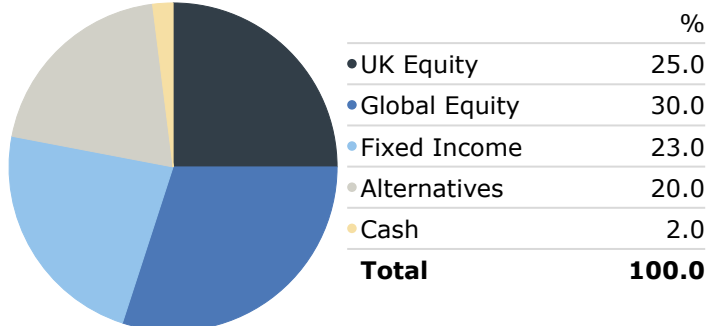
pressure for four years. It was at the end of the month that a raft of stimulus measure came with the People's Bank of China (PBOC) Governor Pan Gongsheng announcing plans to lower borrowing costs and allow banks to increase their lending. The Chinese Community Party's politburo, the top decision-making committee led by President Xi, then signalled that the government would borrow money to fund investment spending. It was, however, unclear whether this would be funded with further bond sales beyond what has already been announced. These moves caused the Chinese stock market to bounce strongly in the last week of the month, with the Hang Seng up a staggering 16%.

Away from China, global stock markets were mixed but generally a bit weaker following what has been a strong bounce YTD. As we enter the final quarter of the year, there's a lot still to consider with an election in the US and a Budget closer to home.

### 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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