

>futureMoney

QUARTERLY REPORT

July 2024

The Future Money strategies are run with the aim of providing investors with carefully risk managed investment solutions.

This report is designed to provide an insight into how the four strategies have been managed, along with the thought processes behind the investment decisions made by the fund managers.

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Market Commentary

April to June was a good period for equity markets, with Asia and UK the strongest performing regions. Chinese stocks showed the best growth in the first six weeks of the period before falling back slightly. The baton was then taken up by Indian and Taiwanese markets whose performance accelerated in the latter half of the quarter. This led the IA Asia Pacific ex Japan sector to return 5.3% over the quarter (source: Morningstar Direct). Asia had previously been a lagging market with concerns over geopolitical tension and weakening Chinese output, yet with a stabilisation of the Chinese economy, with Taiwan's tech sector thriving and with India's warm relations with the West allowing it to benefit from the trend of 'friend-shoring', investors have been drawn back by the prospect of high earnings growth.

UK markets were also strong for the quarter, with the IA UK All Companies sector returning 3.9% (source: Morningstar Direct). This positivity stems from a combination of the UK exiting its recession with higher than expected growth in Q1; with inflation falling back to the Bank of England's 2% target; and with the expectation of a more stable political period for the UK, with Labour's strong victory widely predicted throughout the election period.

Asset Allocation

The portfolios' overweight allocation to Asian markets benefitted from the strong performance here. Given the high growth rates and low valuations across the region relative to developed markets, we believe there is further potential. Likewise, we continue to favour the UK. With an already improving economy and a new, strong, government seeking to improve growth and productivity levels there is improved optimism around the UK. This is amplified by greater political instability elsewhere.

Emmanuel Macron presided over an inconclusive French parliamentary election and US politics is growing more volatile and divided with the presidential election approaching. Should Donald Trump emerge victorious then tax cuts and higher borrowing are expected which would be stimulatory, but also inflationary. This would likely be positive for equities, but challenging for bonds. New tariffs on international trade would also increase inflation and stoke international tensions. A second Trump presidency would therefore likely create both opportunities and challenges for global markets.

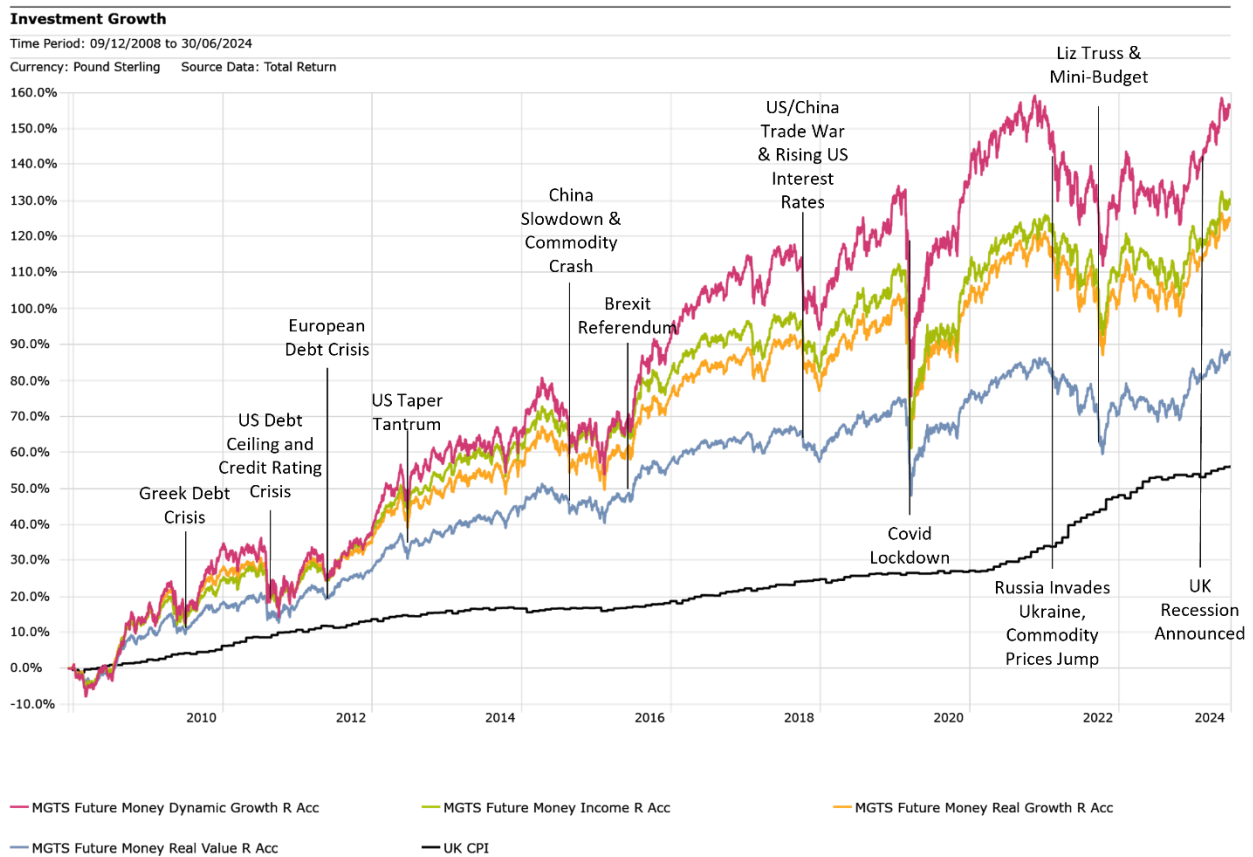
Portfolio Changes

In recognition of improvements in the European economy, with inflation receding and in anticipation of interest rate cuts, allocations to Europe were increased from underweight to neutral across the portfolios. While we believe that the UK market remains very attractive, as the largest position within the equity portion of the portfolios, reductions here were chosen to fund the European increase. Rathbone Income has been a good holding for Future Money Income over a number of years, yet following a review of the portfolio's UK equity income exposure it was decided to sell this holding and redistribute the assets across the remaining five funds in this sector, where greater long term returns are expected.

The Benefits of Staying Invested

From time to time investment markets can go through difficult periods due to poor economic news or political crises. It can be difficult to keep a cool head at times of major turmoil and it may be tempting to consider selling when this occurs. Yet, history shows the benefits of remaining invested when markets fall, with recoveries often following the most disruptive periods.

The following chart shows the performance of the Future Money portfolios since inception, with the major news stories of the time highlighted. This shows that for long term investors, while the downs may be less comfortable than the ups, remaining invested provides a strong chance of growing the value of your money over the long term.



	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
MGTS Future Money Real Value R Acc	9.0	7.8	-0.5	8.4	8.6	4.9	1.1	7.3	4.6	-3.9	9.9	1.1	5.7	-8.2	7.4
MGTS Future Money Real Growth R Acc	14.4	11.0	-3.9	10.3	11.4	4.6	1.8	9.6	6.7	-4.8	13.2	0.7	8.4	-8.7	7.4
MGTS Future Money Dynamic Growth R Acc	15.0	15.9	-8.7	12.8	16.9	3.1	1.5	13.9	10.4	-7.4	17.8	2.8	7.3	-10.7	7.2
MGTS Future Money Income R Acc	2.6	9.2	7.3	-5.8	14.6	0.0	2.6	9.2	7.3	-5.8	14.6	0.0	6.8	-7.0	6.6
CPI	2.9	3.7	4.2	2.7	2.0	0.5	0.2	1.6	3.0	2.1	1.3	0.6	5.4	10.5	4.0

Data Source: Morningstar Direct. Currency: Pound Sterling. Total return.

Past performance is no guarantee of future performance. The value of investments can fall as well as rise and investors may not get back their original investment.

Important Information

Please note that the contents are based on the author's opinion and are not intended as investment advice. This information is aimed at professional advisers and should not be relied upon by any other persons.

Any research is for information only, does not constitute financial advice or necessarily reflect the views of the author and is subject to change.

It remains the responsibility of the financial adviser to verify the accuracy of the information and assess whether the fund is suitable and appropriate for their customer.

Past performance is not a reliable indicator of future performance. The value of investments and the income derived from them can fall as well as rise and investors may get back less than they invested.

Important information about the funds can be found in the Supplementary Information Document and NURS-KII Document which are available on our website or on request.

For any information about the Future Money funds please contact the authorised corporate director, Margetts Fund Management Ltd, on 0121 236 2380, admin@margetts.com or at 1 Sovereign Court, Graham Street, Birmingham B1 3JR. A copy of their Terms of Business which relates to investments into the funds can also be obtained using these contact details.

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