

>futureMoney

QUARTERLY REPORT

October 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

Both broad equity and bond markets delivered positive returns over the quarter with a continued moderation of inflation allowing the first downward movements in interest rates across Europe, the UK and the US. The one exception to the strong performance amongst major markets was the US, with the IA North America sector delivering a marginal fall of -0.13% over the three month period (source: Morningstar Direct).

High valuations in the AI sector have come under pressure over the quarter. The latest earnings season has shown how challenging it is for these companies to keep growing as fast as investors had come to expect. These stocks had therefore become prime for a share price disappointment, which partially occurred over the period, with this particularly prevalent in the AI flagbearer, Nvidia.

China has been a drag on the global economy over the past two years, with its economy hobbled by a collapsing property sector and the low levels of consumer confidence this created. In the last days of September, there was a major development in this story with Beijing announcing a large stimulus package leading to a rapid rally in Chinese equities, which in turn drove high performance amongst the Asia Pacific and Emerging Market investment regions. Full details on the scale of the intervention have not yet been provided, and in this absence, markets have given back some of their gains. Yet, this does appear to mark a major turning point in the actions of China's policymakers, suggesting a more supportive environment ahead.

Asset Allocation

We have been sceptical of valuations in the US technology sector over recent times, while we have favoured lower valued areas such as the UK and Asia. These positions have been well rewarded over the quarter, as the latter sectors provided the greatest returns of major markets over the past three months. Our allocation to infrastructure funds was all beneficial, with the sector benefitting from the move towards lower interest rates, increasing the relative value of infrastructure's highly dependable cash flows.

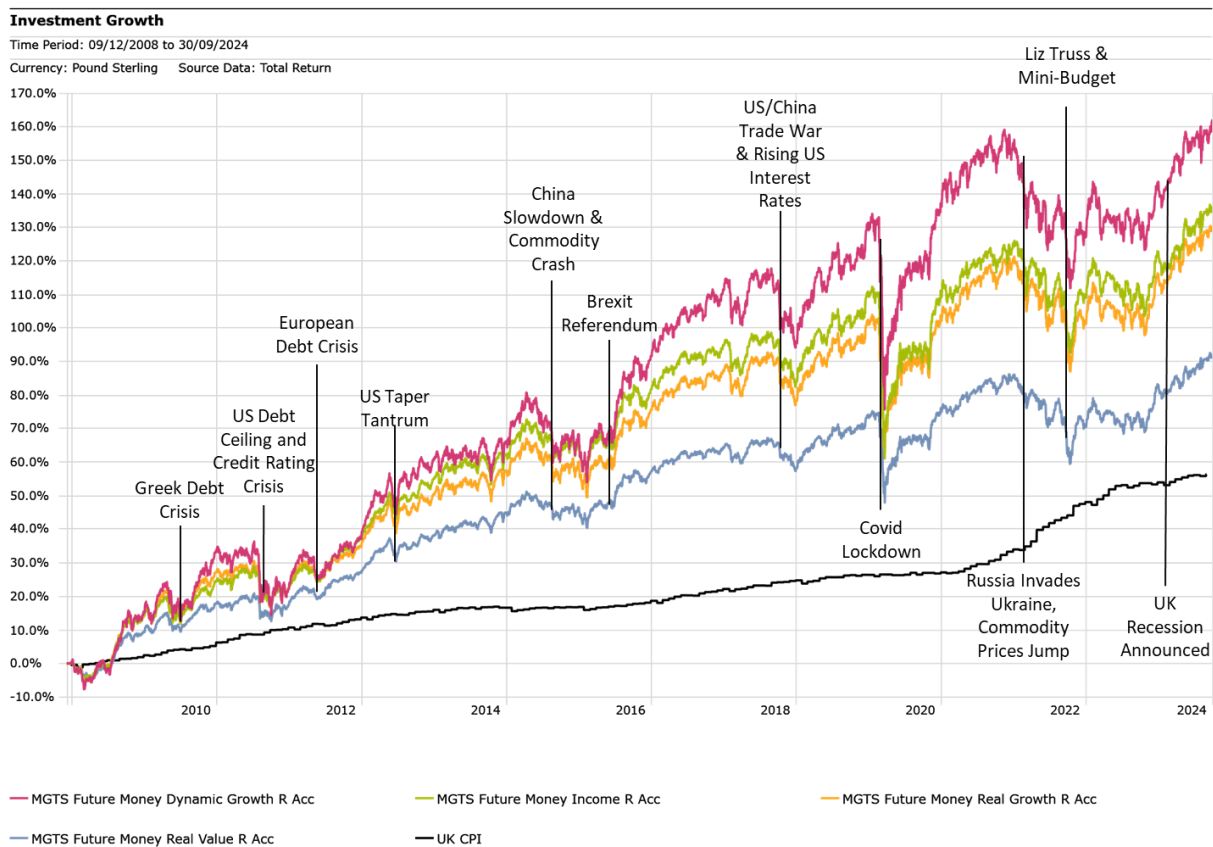
Portfolio Changes

Premier Miton US Opportunities produced the performance we expected from it over the quarter, delivering strong positive returns while the broader US market, which has higher exposure to large technology stocks, struggled. Despite this, the fund was sold from the portfolios (with the exception of FM Income, where Premier Miton was not held) and replaced with iShares S&P 500 Equal Weight ETF, which provides comparable exposure to the Premier fund. We expect the performance of the two investments to be similar, but with the iShares available at a lower cost and with the recent announcement of the retirement of the Premier fund's deputy manager, the swap has been made.

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.



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.

Source: Morningstar Direct

	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.

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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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