



QUARTERLY REPORT

October 2026



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.

Quarterly Report | October 2026

Market Commentary

Investment markets delivered mixed returns during the third quarter. Equity markets remained broadly resilient, supported by steady economic growth and continued momentum around AI, while bond markets faced a more challenging backdrop as rising energy prices and higher inflation expectations and growing supply pushed government bond yields to multi-decade highs.

Japan was the strongest-performing major equity market, with the IA Japan sector gaining 5.2%. UK equities also delivered positive returns, with the IA UK Equity Income and IA UK All Companies sectors rising 3.7% and 3.2% respectively. Then came IA North America on 0.5%, IA Asia excluding Japan on -0.5% and IA Global Emerging Markets on -1.2%. IA Europe excluding UK was the weakest equity region, declining 1.6%.

Bond markets, meanwhile, generated negative returns. The re-escalation of the US-Iran conflict and renewed tensions around the Strait of Hormuz contributed to oil prices rising past \$100 per barrel during September. As a result, expectations for future interest rate hikes grew as inflation concerns resurfaced. Government borrowing levels also remained under scrutiny, with markets paying closer attention to the long-term sustainability of public finances. Also corporate borrowing levels are increasing with technology firms turning to the debt markets to fund AI investments. Consequently bonds came under pressure on a global basis and our domestic market was not immune. The IA UK Gilts sector returned -2.7%, while the IA E Corporate Bond sector returned -2.1%, over the quarter.

Portfolio Allocation

Fidelity Asia has performed strongly over the past year, benefiting from its exposure to Taiwanese and Korean semiconductor manufacturers. This fund is held both Real Growth and Dynamic Growth and has contributed well to returns here, and we continue to see attractive medium-term growth prospects. However, given the high expectations now priced into many AI-related stocks, we reduced our allocation in July.

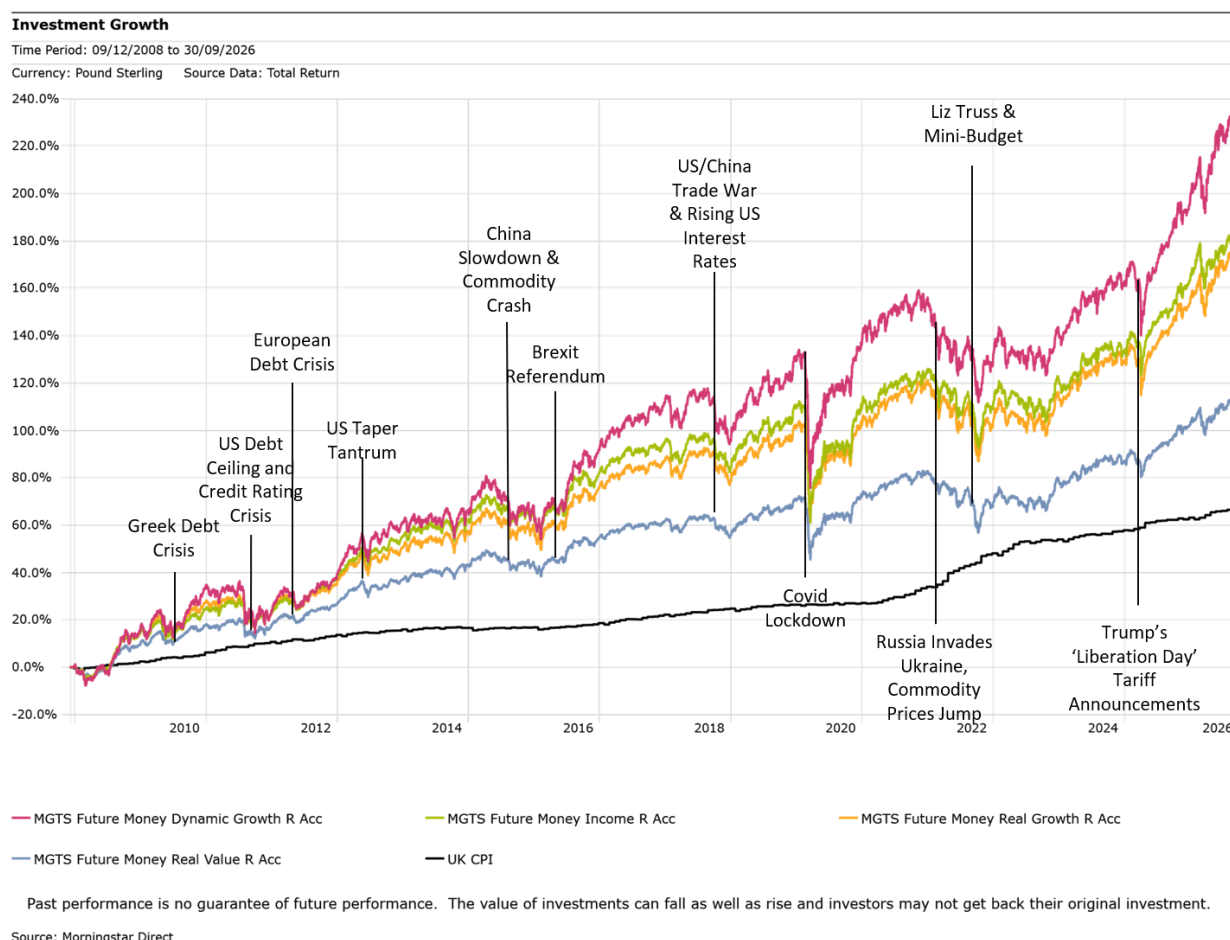
The proceeds were reinvested into Japan, where ongoing corporate reforms are supporting a more commercially focused investment landscape. Relative to some other Asian markets, Japanese equities have been less affected by AI-driven enthusiasm, which we expect to be beneficial should market disruption occur. While this is not our immediate expectation, maintaining diversification remains central to portfolio risk management.

Bond allocations are also of particular interest. Despite negative headlines around rising yields and falling bond prices, most holdings have still delivered positive total returns over the past year, as higher income has offset the falling prices. This contrasts with 2022, when low starting yields offered little protection against inflation-driven price declines. Today, higher yields provide a stronger income cushion, and recent yield increases have improved the risk-reward case for the asset class, and our exposure here is under close consideration.

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	2024	2025
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	3.6	8.5
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	5.7	11.0
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	7.2	13.1
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	4.4	13.1
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	2.5	3.4

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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