

**MKC Invest Tracking Tomorrow 10
July 2024**
Portfolio Objective:
Inception Date: 02.01.2024

 MKC Wealth
Risk Rating

Equity Target

Adventurous

100%

 Baseline Benchmark 10:
100% Morningstar Global Target Market
Exposure

The MKC Invest Tracking Tomorrow portfolio 10 aims to provide very long-term capital growth from a diversified portfolio of collective investments. The portfolio will be managed such that its overall level of investment risk will be suitable for, and in line with the expectations of, an investor at level 10 on the MKC "Baseline" scale of investment risk. The portfolio aims to outperform (net of any investment related costs but not necessarily net of any costs relating to advice or custody) this strategic asset allocation over the course of at least two full market cycles through the adoption of a long-term tactical asset allocation derived from credible research and projections about future global stock market capitalisations. The underlying collective investments will be index tracking funds except in exceptional circumstances where suitable index tracking funds cannot be purchased. The selection of index-tracking collectives will be unconstrained to any particular firm(s).

Market Overview:

Markets saw a rotation in July as value-style equities outperformed growth-style for the first time this year. There were various catalysts, but the initial movement was driven by the increased likelihood of Donald Trump winning the US election and the potential for him to impose wide reaching trade tariffs.

Although this reversed somewhat when Joe Biden withdrew from the presidential race, the very large technology firms that have driven returns so far in 2024 didn't recoup losses and generally ended down for the month. This correction was driven by concerns over the costs involved in developing artificial intelligence and the ability of firms to monetise that technology, but it should be noted that despite this pull back the technology sector is still firmly up for the year.

There was, however, more positive news for bond markets where softer inflation data encouraged yields to fall (and capital values to therefore rise) in anticipation of interest rate cuts coming from the Federal Reserve and the Bank of England over the coming months. While the underperformance of equities is never welcome, the current situation is very different to 2022 – when both equities and bonds saw losses- because bond markets can now give their traditional degree of protection against stock market corrections if held in mixed portfolios. Those 100% exposed to equities- of course- will not experience this.

There was a significant development in Japan which, unlike most of the developed world, is in a *rising* interest rate cycle. Over the past several years the so-called "Yen carry trade" where you borrow cheaply in Japan to invest in higher yielding assets from other regions, has been extremely popular and has been part of the demand that has driven equities higher. As the cost of borrowing Yen rises this trade becomes less attractive, and investors will likely look to unwind positions, potentially putting downward pressure on equities. The well-known Japanese Nikkei 225 index saw a significant downturn in the latter half of the month as a result of these concerns.

In the UK Labour comfortably won the general election and the country looks stable politically when compared to other regions. While it is far too early to pass any judgement on the new government's policies, in the short term at least this is likely to be positive for UK equities.

Historic Performance*

Time Period: 06/08/2019 to 05/08/2024


Calendar Year Returns*

Data Point: Return Calculation Benchmark: Baseline Benchmark 10

	2019	2020	2021	2022	2023	2024
Baseline Benchmark 10	22.01	13.04	19.48	-7.60	15.20	

Cumulative Return*

Data Point: Return Calculation Benchmark: Baseline Benchmark 10

	YTD	3 Months	6 Months	1 Year	3 Years	5 Years
Baseline Benchmark 10	5.35	-2.25	2.47	12.01	19.25	57.81

**To comply with FCA regulations we are unable to provide performance numbers for this portfolio until it has a track record of at least 12 months. For context, we have provided the historic performance of the suitable benchmark but this must not be taken as an indication of likely future performance.

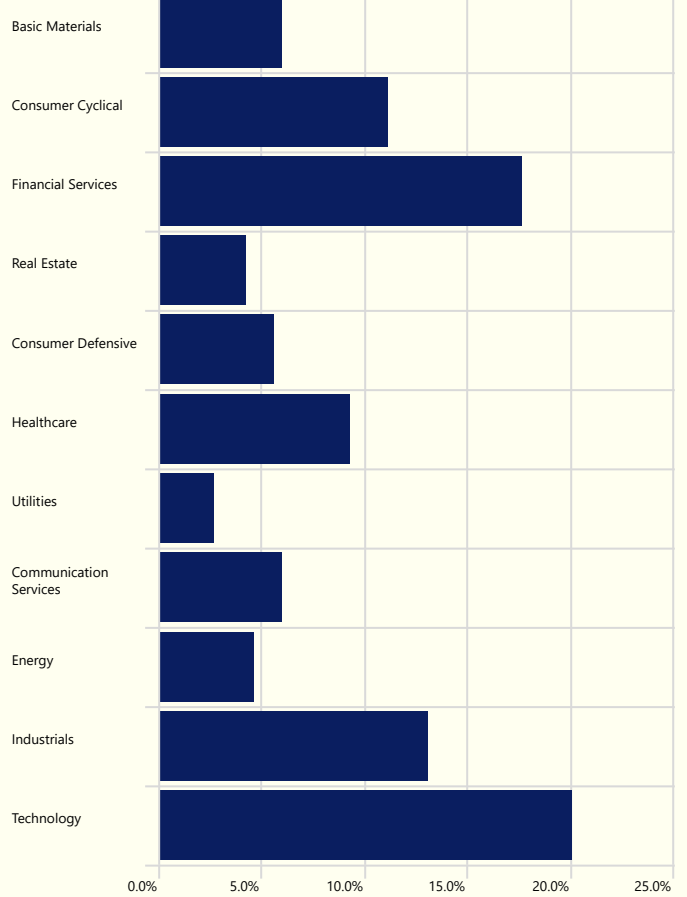
Asset Allocation - MKC Invest Tracking Tomorrow 10

Portfolio Date: 31/12/2023



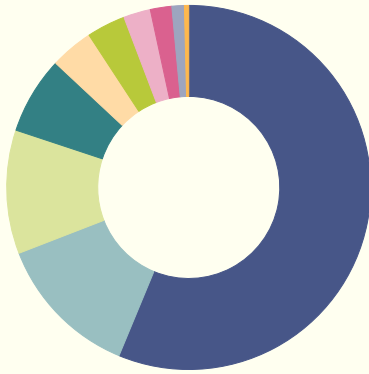
Category	Percentage
Equity	100.0
Total	100.0

Equity Sector Exposure



Equity Regional Exposure - MKC Invest Tracking Tomorrow 10

Portfolio Date: 31/07/2024



Region	Percentage
North America	56.3
Asia emrg	12.9
Europe dev	11.0
Asia dev	6.9
Africa/Middle East	3.8
United Kingdom	3.4
Japan	2.4
Australasia	1.9
Latin America	1.1
Europe emrg	0.4
Total	100.0

Top 10 Underlying Securities:

Security	Portfolio Weighting %
TRS Russell 2000 0.4 Q Tgt Exp Fac Net Tax	15.00
Taiwan Semiconductor Manufacturing Co Ltd	1.70
Microsoft Corp	1.65
TRS FTSE Vietnam TR USD	1.60
Apple Inc	1.31
NVIDIA Corp	1.18
Amazon.com Inc	0.87
Meta Platforms Inc Class A	0.56
Alphabet Inc Class A	0.47
SAP SE	0.44

Funds:

Funds	Portfolio Weighting %
Vanguard U.S. Eq Idx £ Acc	27.00
SPDR® S&P 400 US Mid Cap ETF	20.00
L&G Russell 2000 US Sm Cp Qual ETF \$ Acc	15.00
iShares Emerging Mkts Eq Idx (UK) D Acc	12.00
Vanguard FTSE Dev Eurp ex UK ETF Acc	7.10
iShares Pacific ex Jpn Eq Idx (UK) D Acc	5.80
Vanguard FTSE UK All Shr Idx Unit Tr£Acc	3.00
Franklin FTSE India UCITS ETF	2.00
iShares MSCI South Africa ETF USD Acc	2.00
Vanguard Germany All Cap ETF EUR Inc	2.00
Vanguard Jpn Stk Idx £ Acc	2.00
Xtrackers FTSE Vietnam Swap ETF 1C	1.60
HSBC MSCI Indonesia ETF	0.50

Costs and Charges:

Underlying fund costs:	0.21%
DIM Charge:	0.15%
Total Cost:	0.36%

Portfolio performance has been calculated using Morningstar Direct and is believed accurate based on the standard pricing of any underlying investment funds held in the portfolio. In some cases, clients may benefit from additional discounts to those same funds on their chosen custody platform. This will cause differences between actual performance and the performance calculated by Morningstar. We expect in all cases that these differences, where present, will be to investors' advantage.

Important Information:

The portfolio is run on a discretionary management basis by MKC Investment Management Ltd for advised clients of MKC Wealth Ltd only. MKC Investment Management Ltd is a discretionary investment firm authorised and regulated by the Financial Conduct Authority (FRN:966731). Registered in England No 13475203. Registered office Walsingham House, 35 Seething Lane, London, EC3N 4AH. MKC Investment Management Ltd and MKC Wealth Ltd are part of the same group of companies. This publication is for UK based retail investors who have engaged with MKC Wealth Ltd for their financial planning services. Distribution or sharing of this publication is not permitted without authorisation from MKC Investment Management Limited. MKC Investment Management Limited investment portfolios are only available to retail investors who have been provided with a personal recommendation to invest from their MKC Wealth financial adviser. The value of investment may go up and down and you may get back less than you invested. All assets are dominated in UK Sterling. The investment or investment service may not be suitable for all recipients of this publication. If in doubt speak to your MKC Wealth Financial Adviser.