

Quarterly
Trends Report

July 2024

KILLIK & Co

Private & Confidential



Global equity markets built on the gains made during the first three months of the year, delivering positive performance in the second quarter.



Capital at risk. Past performance is not a reliable indicator of future results.

Source: FactSet

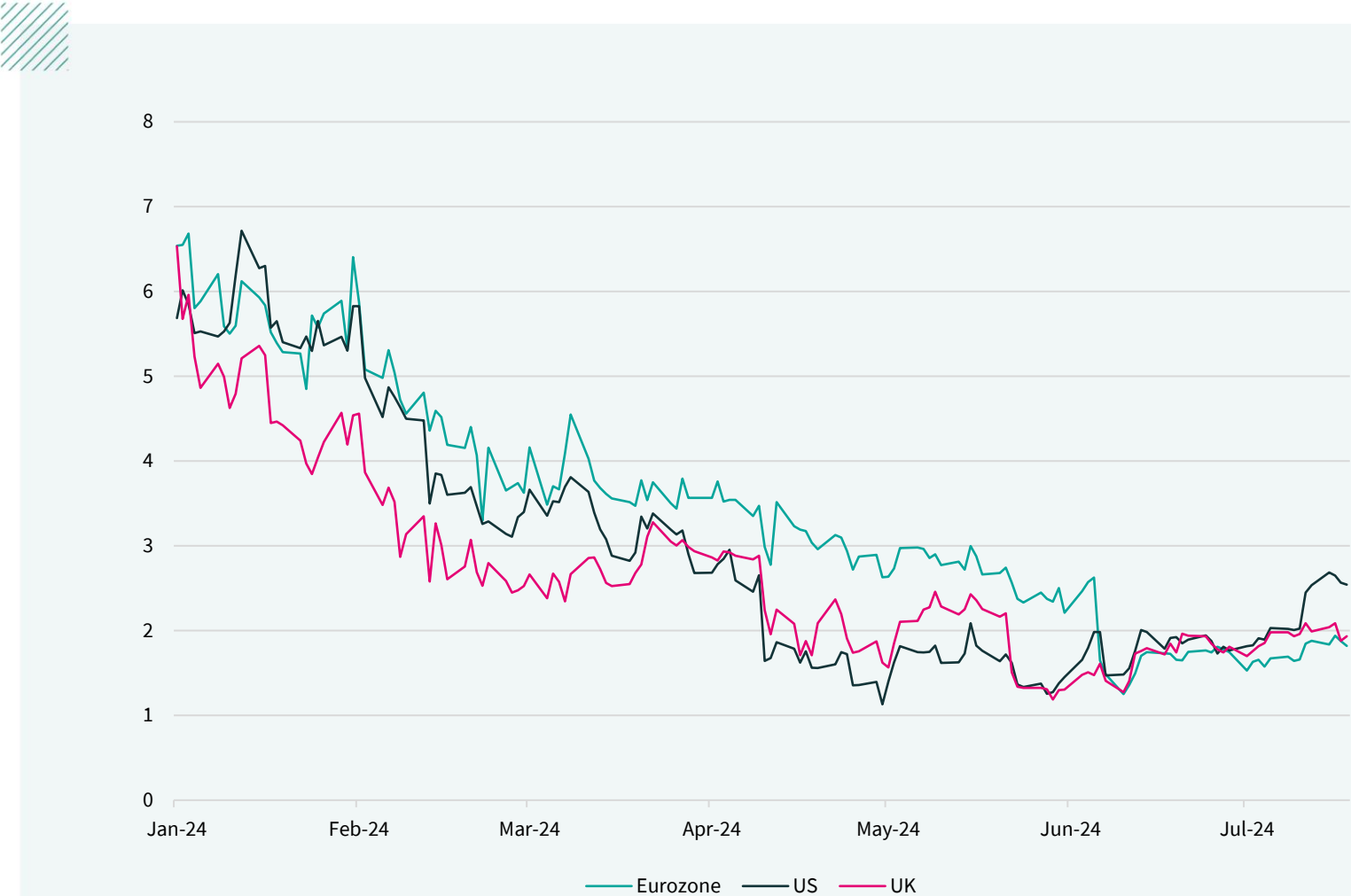
Quarterly Trends Report > Exhibit 2: MSCI World Sector Performance, Price Only

Year to date the MSCI World Index has delivered a return of 10.8%, with ten out of eleven sectors producing positive returns, but only two, Information Technology and Communication Services, outperforming the index, as artificial intelligence continues to be a major theme for markets.

	Q2 2024	Year to date	Five Years
Information Technology	11.3%	24.7%	182.6%
Communication Services	7.7%	21.4%	64.9%
Utilities	2.2%	2.8%	9.5%
MSCI World Index	2.2%	10.8%	62.7%
Health Care	0.2%	7.2%	49.6%
Consumer Staples	-0.6%	2.2%	15.7%
Financials	-1.3%	8.5%	38.6%
Energy	-2.0%	6.6%	28.1%
Industrials	-2.6%	6.4%	51.3%
Consumer Discretionary	-2.7%	3.7%	56.0%
Materials	-4.0%	-1.5%	36.0%
Real Estate	-4.0%	-5.2%	-12.6%

Capital at risk. Past performance is not a reliable indicator of future results.

On the economic front, expectations of interest rate cuts are lower than at the start of the year but **have ticked up recently...**

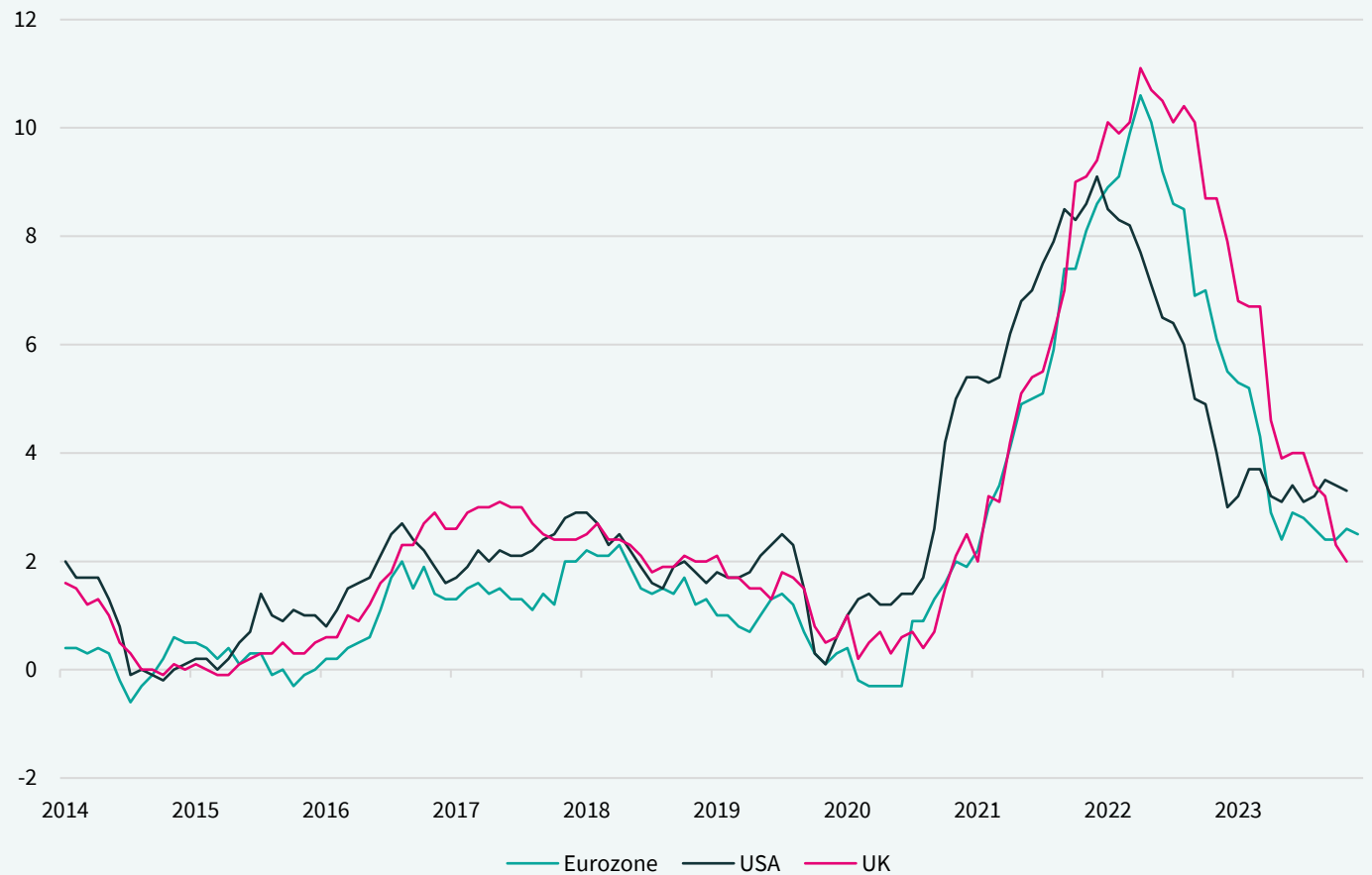


Capital at risk. Past performance is not a reliable indicator of future results.

Source: Bloomberg

Quarterly Trends Report > Exhibit 4: Consumer Price Indices, year-on-year

...as inflation continues to cool,
albeit at a slower pace than in 2023.



Capital at risk. Past performance is not a
reliable indicator of future results.

Source: Bloomberg

Quarterly Trends Report > Exhibit 5: US 10-2-year treasury spread, bps

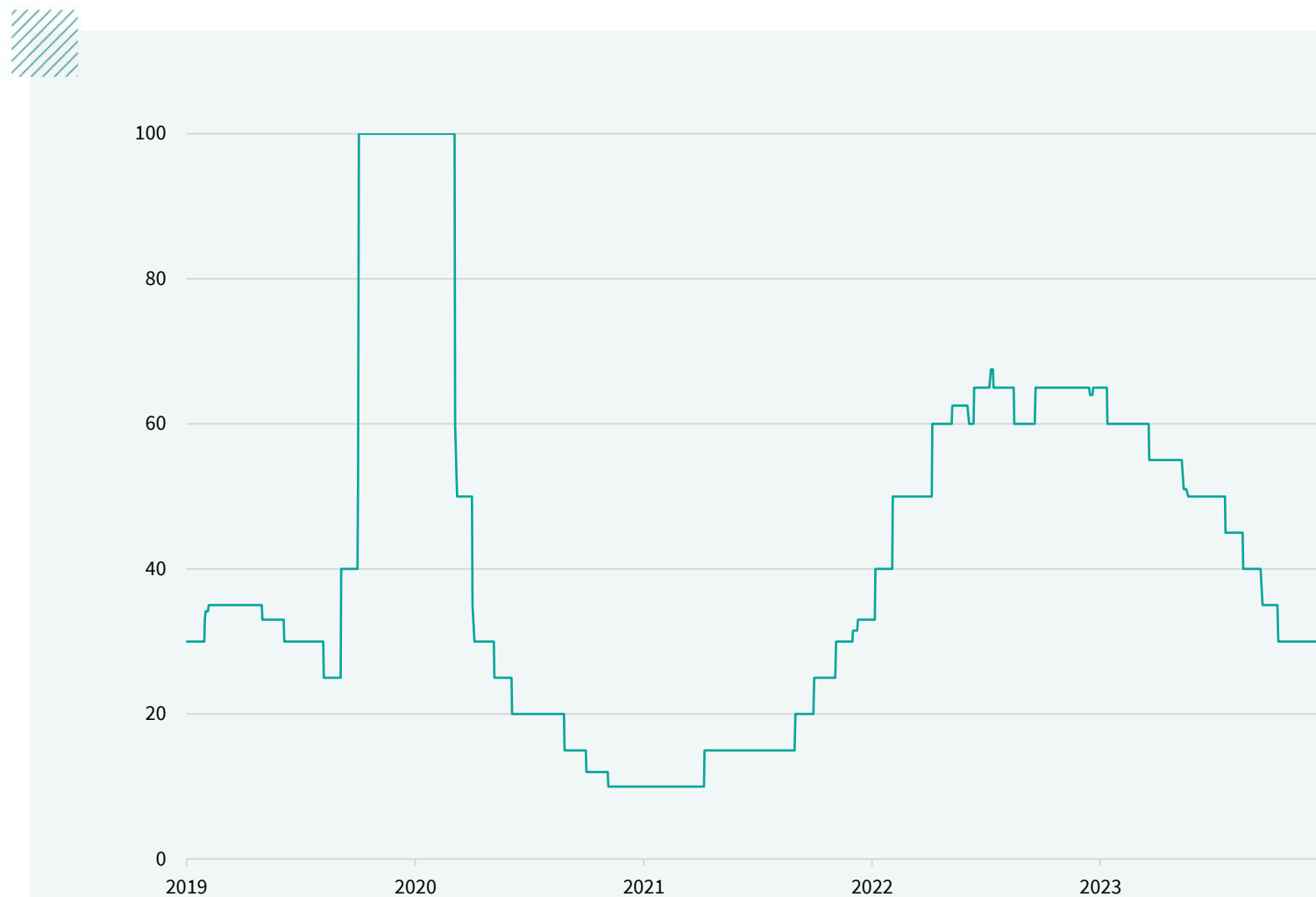
The yield on the US 10-year treasury continues to trade below the US 2-year treasury, which **historically has been an indicator of a future recession...**



Capital at risk. Past performance is not a reliable indicator of future results.

Source: Bloomberg

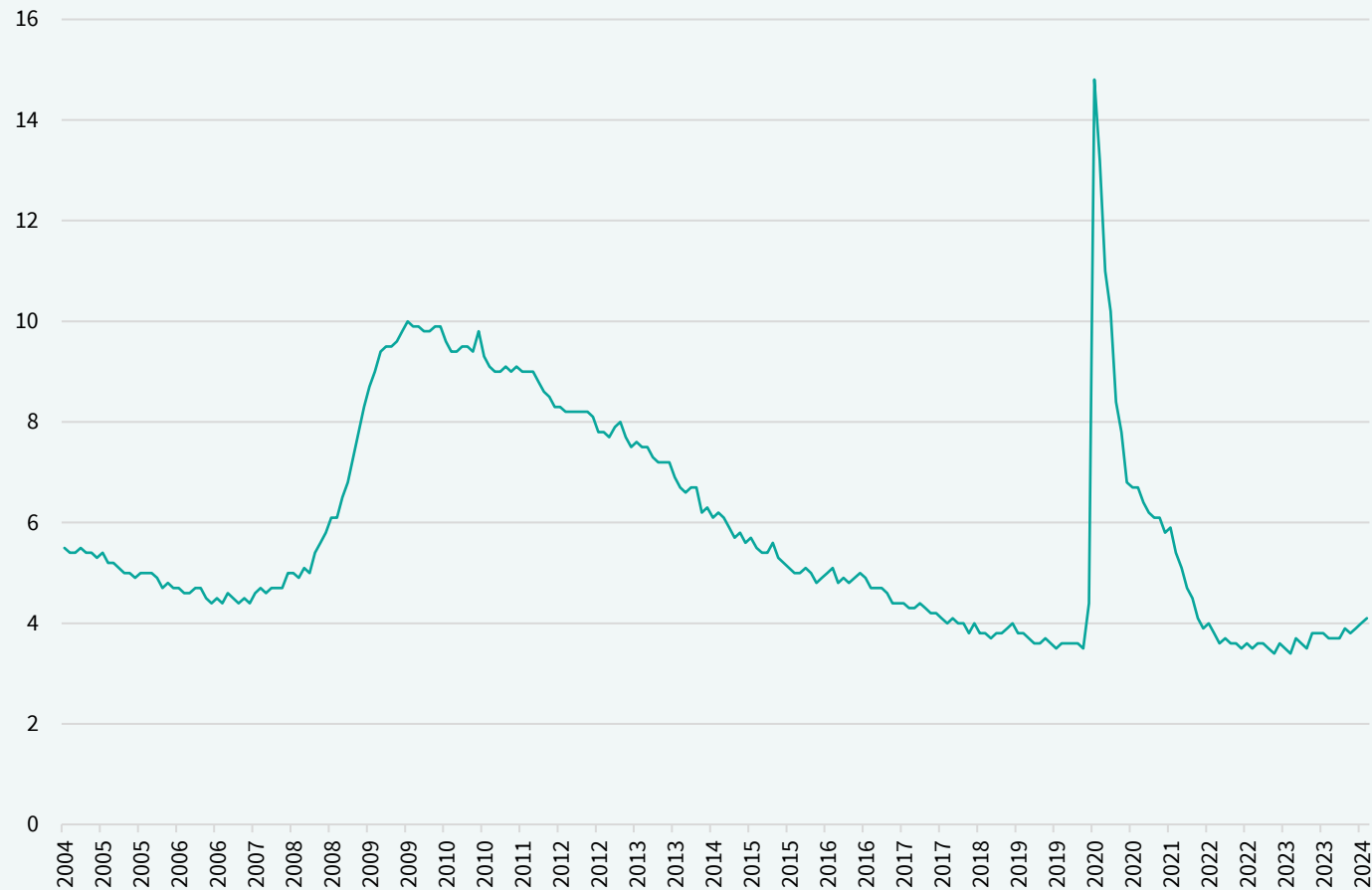
...yet the market implied probability of a recession in the next twelve months is low, at 30%, down from 65% one year ago.



Capital at risk. Past performance is not a reliable indicator of future results.

Quarterly Trends Report > Exhibit 7: US Unemployment Rate, %

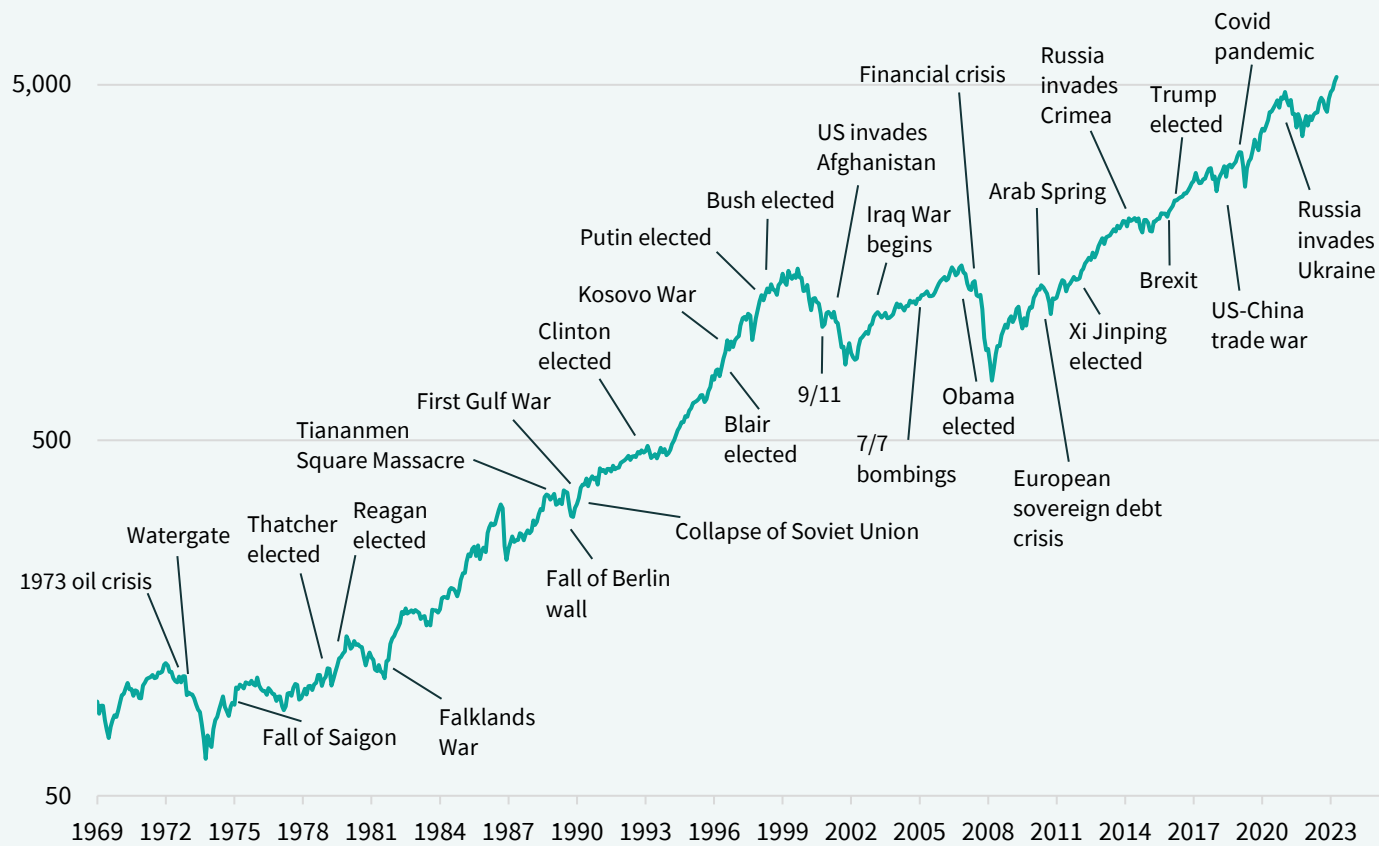
Employment is one factor supporting the economy, with the unemployment rate still low by historical standards despite edging up in some regions recently.



Capital at risk. Past performance is not a reliable indicator of future results.

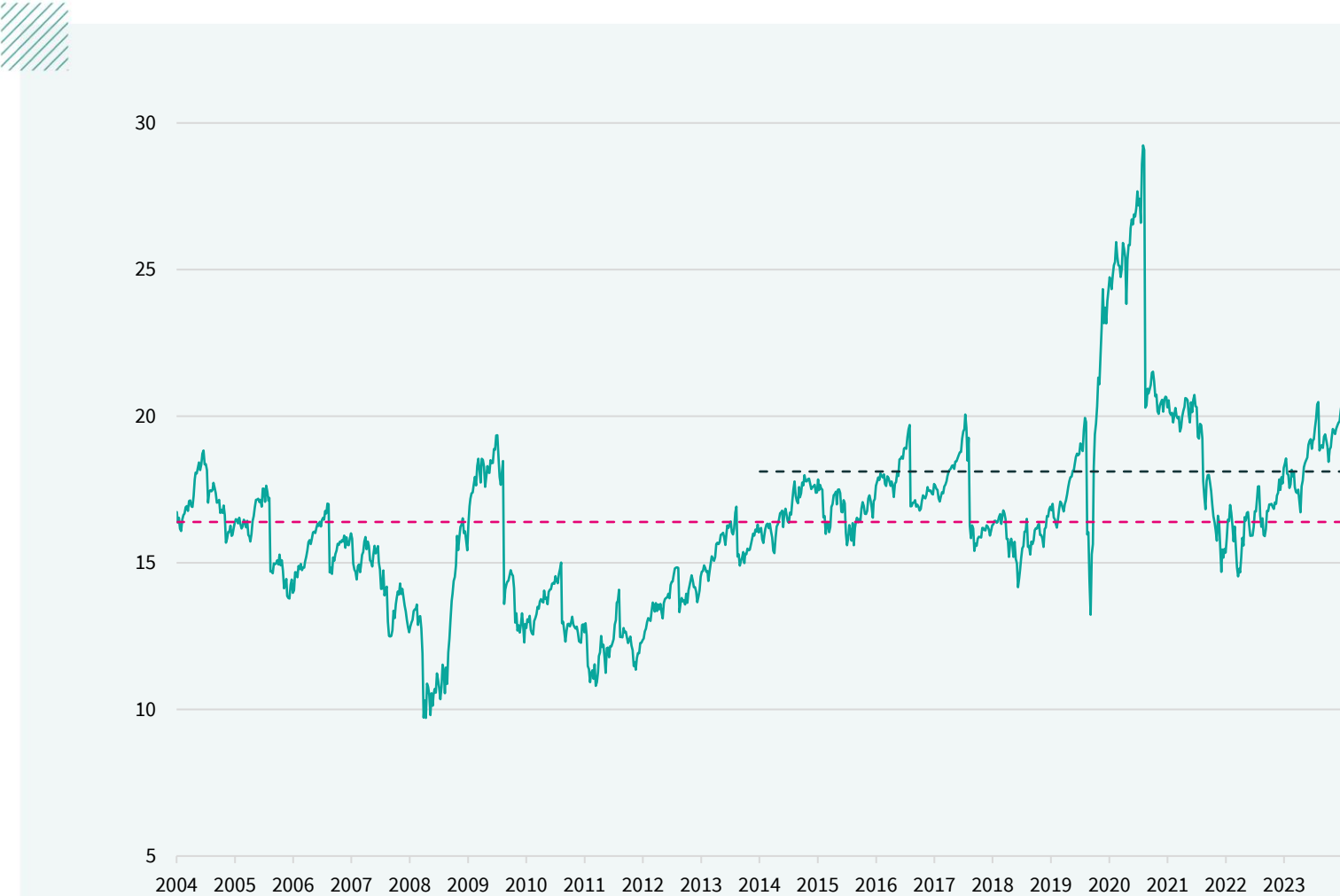
Source: Bloomberg

Looking ahead, despite the UK and French elections being behind us now, politics remains in focus for market participants, particularly the US election. **While such events might cause short term volatility, historically they have not significantly impacted long-term equity market returns.**



Capital at risk. Past performance is not a reliable indicator of future results.

Equity market valuations are above historical averages. Excluding elevated valuations on certain megacap stocks, the market's price to earnings ratio is more than two turns lower.



Capital at risk. Past performance is not a reliable indicator of future results.

Source: Bloomberg

KILLIK & Co

Save | Plan | Invest

Disclaimer

Nothing in this presentation should be construed as investment advice, or as comment on the suitability of any investment or investment service. Prospective investors should take advice from a professional adviser before making any investment decisions. There are risks with almost every investment that you may not get back the original capital invested. The value of your investments may fall as well as rise and the past performance of investments is not a guide to future performance. Killik & Co is a trading name of Killik & Co LLP, a limited liability partnership authorised and regulated by the Financial Conduct Authority and a member of the London Stock Exchange. Registered in England and Wales No. OC325132 Registered office: 46 Grosvenor Street, London, W1K 3HN.