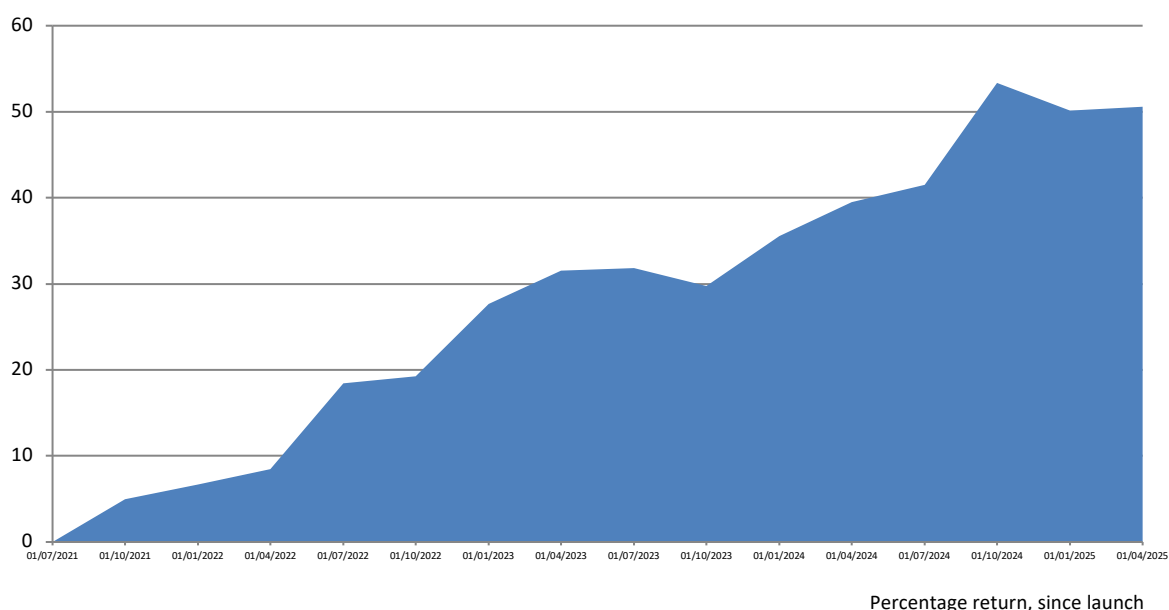




Smart Money has produced a strong gain in the second quarter, up 5.23%, this its second quarterly gain of the year.

The military defence stocks added several weeks ago have certainly performed in line with my expectation. Most will be well aware of why, simply put, against the current backdrop we are witnessing a massive surge in global military budgets, and as such a few months ago this investment identified and targeted several military defence stocks which look set to sore higher.



## The Market

Members may not be aware, but world defence spending hit a record \$2.7 trillion in 2024. This was a 9.4% year-over-year increase and the sharpest rise since at least 1988. But this sector has seen the spending rise for years, with gains across all five global regions.

The additional weighting to equities means that this investment has closed the second quarter with 45% of its total asset allocation weighted to stocks - the remainder is held in cash.

This increase in weight is a tellin story compared to the start of the quarter when this position was dramatically different, as Smart Money held only 19.55% of its total asset allocation in equities. I was quietly confident that the increase would produce gains for this invested- it did!

Many members have commented on Smart Money and the fact that it has filed consistent gains quarter on quarter. More importantly, since inception, the account has registered a return of over 50%.