



Fixed Income Portfolio



Investment objective

Our Fixed Income Portfolio invests in a combination of government and corporate bonds. Through a combination of 20 securities, we aim to provide steady, low risk returns, which can counteract the volatility often found in equity markets.

Quarterly commentary

The underlying question during the quarter has been about interest rate rises and when the central banks will pause. The current rate of 5.25% in the UK seems high from the last 10 years perspective. However, since 1930 the average has been 5.22% with a high of 17% in 1979, to a low of 0.1% in 2020. This rapid rise since the low of March 2020 is beginning to filter into the economy but should not be considered anything more than a normalised level.

After Covid, the inflation driving supply chain repair and restocking is beginning to normalise. Several early cyclical industries are already witnessing wage deflation and raw material deflation. We expect this disinflation momentum to continue.

This interest rate conundrum coupled with increased geopolitical risk and rising oil price has resulted in the equity markets trading sideways until clear evidence emerges.

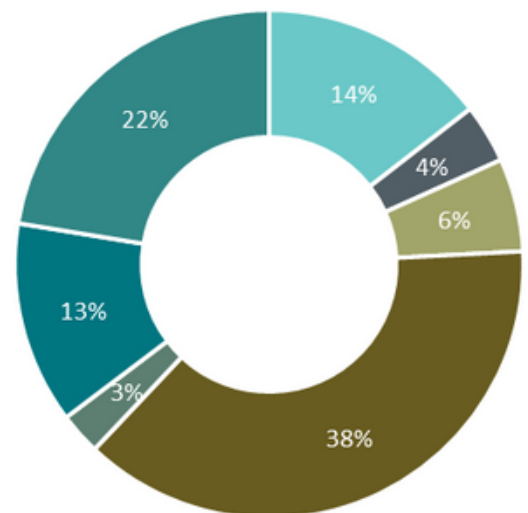
The Fixed Income Portfolio has continued to outperform the bond market in the third quarter of 2023. Due to the volatility and subsequent risk in the bond market, given interest rate fluctuations, we have invested primarily in shorter-term bonds and are overweight in Government Bonds.

July - September 2023

Top Five holdings

- UK Gilts Short-Term
- US Treasuries Short-Term
- Invesco Bond Income Plus
- UK Gilts
- National Grid 2024

Sector Weights



- Energy
- Financials
- Cash
- Materials
- Utilities
- Consumer Staples
- Real Estate

The value of your investments and income from them may go down as well as up.

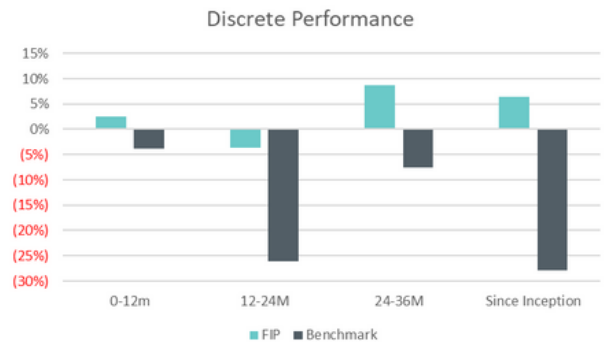
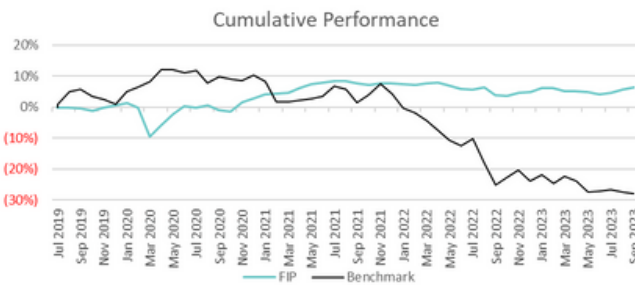
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Performance

Cumulative Performance				
	3m	6m	1Y	Since Inception (17/07/2019)
FIP	2.33%	1.19%	2.56%	6.42%
Benchmark	-1.08%	-7.43%	-3.77%	-27.91%

Discrete Performance				
	0-12m	12-24m	24-36m	Since Inception (17/07/2019)
FIP	2.56%	-3.63%	8.68%	6.42%
Benchmark	-3.77%	-26.13%	-7.54%	-27.91%



Performance is a composite made from grouping together each individual client Fixed Income Portfolio. All client portfolios hold identical stocks but weightings will differ depending on the start date. On the start date each client has their own individual portfolio which will begin with a set weighting in each of the MVAM Fixed Income Portfolio stocks. Occasionally the portfolios may hold some cash when we are between investments. Past performance is not a guide to future performance. Our benchmark is the Vanguard UK Government Bond Index Fund. Performance figures are Net of Fees.

Benefits

- Experienced, successful team
- Consistent, repeatable strategy
- No leverage and no derivatives

Risks

- Focused portfolio
- No hedging of currency

Fees

- No entry or exit feed
- Fees of 1.25% including VAT
- Dealing fees of 0.4%

About MVAM

Mole Valley Asset Management offers innovative and bespoke investment services to retail clients and intermediaries. We have a highly experienced team, investing client savings directly into the markets, aided by proprietary screening and original research. We always remember that it's your money.

Portfolio management team



Duncan Sanford



Craig Harper



Aidan McCormack

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