



Special Opportunities Portfolio



Investment objective

Mole Valley Asset Management's Special Opportunities Portfolio invests in UK and European companies, screened and analysed by our team of portfolio managers. We select companies for the portfolio based on 6 'buckets' of investment strategies that have been proven over time. These buckets produce shortlists of companies on which fundamental analysis is conducted before the portfolio is constructed. As with all MVAM portfolios, the investment strategy requires a specific number of holdings, in this case 25.

Quarterly commentary

July - September 2023

The key question during this quarter has been one concerning interest rate rises and when the central banks will pause. The current rate of 5.25% in the UK seems high looking at the last 10 years. However, since 1930, the average has been 5.22% with a high of 17% in 1979, and 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 normal level.

After Covid, the supply chain repair and restocking, key drivers of inflation this time, are beginning to normalize. Several early cyclical industries are already witnessing wage and raw material deflation. We expect this disinflation momentum to continue.

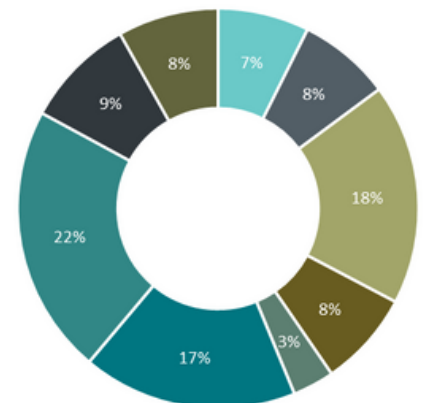
This interest rate conundrum coupled with increased geopolitical risk and a rising oil price has resulted in the equity markets trading sideways until clear evidence of inflation direction emerges.

The Special Opportunities Portfolio had a strong quarter, meaning the portfolio's inaugural half-year has outperformed the market, with a positive return in a negative market. There have been some standout performers, such as Just Group, which performed well on sector strength, as well as the company posting good results.

Top five holdings

- Just Group PLC
- Laboratorios Farmaceuticos SA
- Kier Group Plc
- FCC SA
- Trustpilot Group PLC

Sector Weights



- Energy
- Materials
- Industrials
- Consumer Discretionary
- Consumer Staples
- Health Care
- Financials
- Communication Services
- Cash

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

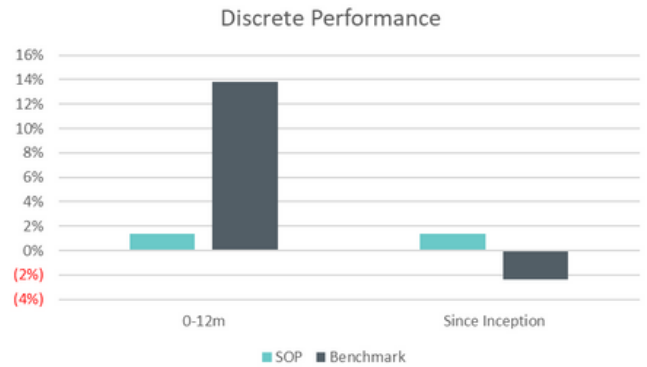
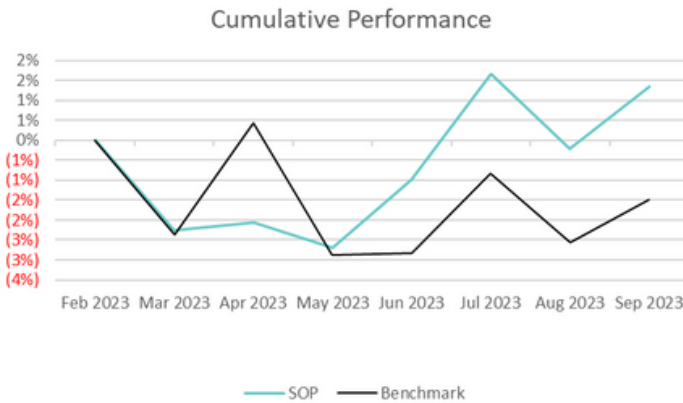
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Performance

Cumulative Performance				
	1m	3m	6m	Since Inception (01/03/2023)
SOP	1.34%	2.37%	3.68%	1.34%
Benchmark	1.09%	1.37%	1.50%	-2.35%

Discrete Performance		
	0-12m	Since Inception (01/03/2023)
SOP	1.34%	1.34%
Benchmark	13.78%	-2.35%



Performance is a composite made from grouping together each individual client Special Ops 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 an approximately 4% in each stock. The Benchmark is the Vanguard UK FTSE Allshare index. Our benchmark is the Vanguard FTSE UK All Share Index Unit Trust. All Performance is net of fees.

Benefits

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

Risks

- Focussed portfolio
- Money invested in equities
- 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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