



Short Term Bond Portfolio



Investment objective

This is a portfolio that will be invested purely in either UK Government Bonds or cash. Bonds are like IOU's. The borrower, in this case the Government, issues an IOU to you, the saver, in return for your money. The IOU promises to pay your money back at the end of a certain period while paying you a level of interest in the meantime. This strategy only invests in bonds that will be paid back within 3 years. This tends to be a very low-risk investment, where the chance of absolute loss is minimal.

Quarterly commentary

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 normalise. Several early cyclical industries are already witnessing wage and raw material deflation. We expect this disinflation momentum to continue.

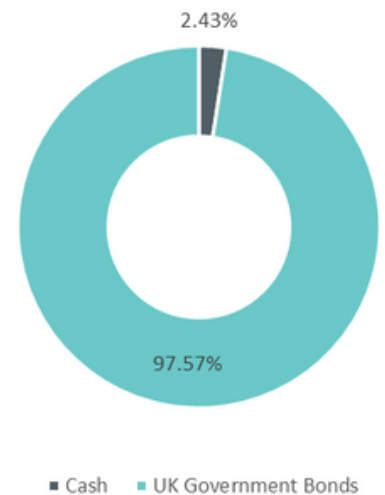
Short-Term Government bonds have continued to pay out as expected and remain a very low-risk investment option.

July - September 2023

Top five holdings

Cash
UK Government 0.125% Bds 2024
UK Government 0.25% Bds 2025
UK Government 0.375% 2026
UK Government 0.75% 2023
UK Government Gilt 2.25% 2023
UK Government GILT 1% 2024

Asset Weights



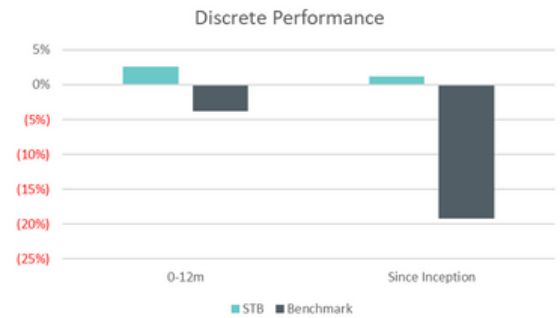
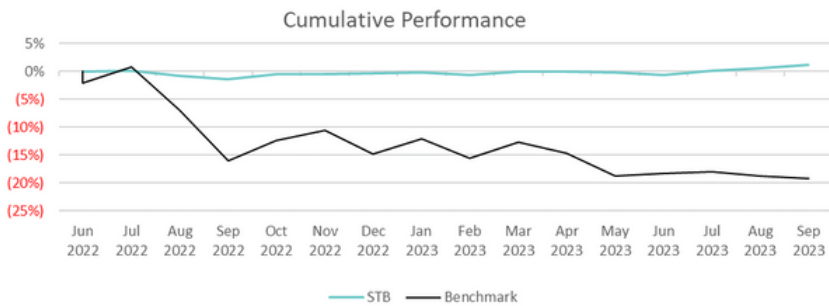
The value of your investments and income from them may go down as well as up.

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Performance

Cumulative Performance				
	3m	6m	1Y	Since Inception(01/06/2022)
STB	1.78%	1.21%	2.63%	1.16%
Benchmark	-1.08%	-7.43%	-3.77%	-19.21%



Performance is a composite made from grouping together each individual client Short Term Bond Portfolio. Performance will vary depending on when money is invested into the portfolio. Occasionally the portfolios may hold some cash when we are between investments. Past Performance does not indicate future performance. Our benchmark is the Vanguard FTSE UK All Share Index Unit Trust. Performance figures are net of all fees.

Benefits

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

Risks

- Focused portfolio

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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