

PREMIUM DIVIDEND PORTFOLIO

Quarterly Factsheet

INVESTMENT OBJECTIVE

MVAM's Premium Dividend Portfolio (PDP) invests in 25 companies in the UK and Europe. The portfolio is designed to give you a steady and growing stream of income. The companies we invest in demonstrate an ability to pay a consistent, growing dividend throughout the business cycle. We employ 'layers of confidence' with a specific focus on the balance sheet, prudent accounting principles and the quality of the income streams, to ensure consistency and repeatability over the long-term.

QUARTERLY COMMENTARY January—March 2020

The first quarter of 2020 has witnessed one of the fastest market corrections of greater than -20% in history. Despite the portfolio outperforming the benchmark, the absolute return of the portfolio provides little comfort.

With the COVID-19 virus, an oil supply glut and an economic slowdown, the magnitude of the correction in the equity markets was inevitable. The fact that the first two events coincided provided a potent force. The government reaction globally has been swift with coordinated monetary stimulus of unrivalled magnitude. This in time will provide support for the economy.

More worryingly for a dividend-based portfolio is the variable governments reaction towards dividends. Some governments in Europe have adopted a pragmatic approach, requiring those companies that seek government support to suspend their dividends. We support this action as borrowing to finance the dividend is not sustainable long term. However, a few governments have directed companies to suppress dividends and buybacks. The latter we again support as buybacks generally flatter management's remuneration and inflate the immediate earnings per share.

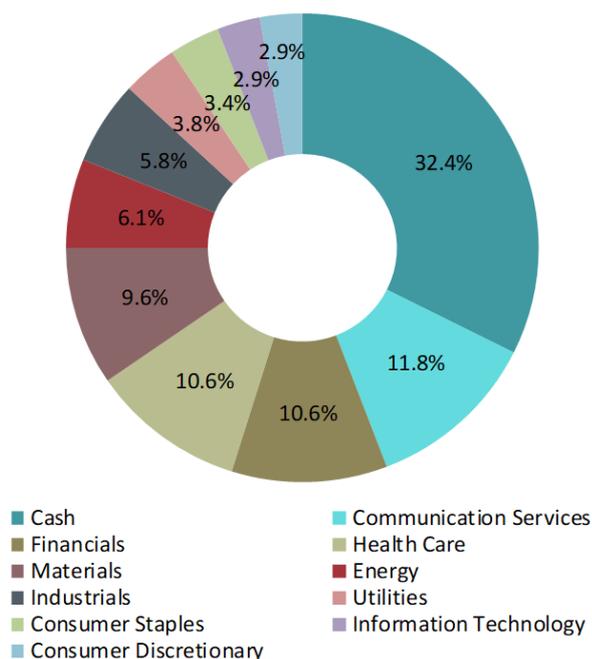
As history has demonstrated, over time dividends make-up over 50% of the total equity return. We therefore continue to invest in companies who's balance sheets and profitability can support a sustainable dividend. We hope all governments will adopt a similar pragmatic approach going forward.

Currently the portfolio has an abnormally high level of cash as despite the sharp rebound in early April we fully expect the lows of March to be retested.

Top Ten Holdings

Name	Portfolio
Roche	4.0%
SNAM	3.8%
UPM	3.6%
Tate & Lyle	3.4%
Bayer	3.4%
NOS	3.3%
GlaxoSmithKline	3.3%
KPN (KONIN)	3.1%
Total SA	3.1%
Bouygues SA	3.1%
Top Ten Holdings	34.1%

Sector Weights



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

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PERFORMANCE

1m	3m	6m	1y	Inception
-13.1%	-18.7%	-21.2%	-18.3%	-12.4%

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2019			0.36%	1.89%	-2.51%	4.14%	1.60%	-1.13%	2.86%	-0.82%	0.95%	3.49%	11.14%
2020	-2.99%	-6.54%	-13.06%										-21.18%

Key Facts

Inception Date:	28-Mar-19
Annualised Rate of Return:	-12.73%
Best Month:	4.14% Jun-19
Worst Month:	-13.06% Mar-20
No of Holdings:	25
Risk Grade:	Moderate
Std Dev:	0.87%

Performance is a composite made from grouping together each individual client PDP. 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 approximate 4% weighting in each of the 25 MVAM PDP stocks. Occasionally the portfolios may hold some cash when we are between investments.

BENEFITS

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

RISKS

- Focussed portfolio
- Money invested in equities
- No hedging

FEES

- No entry or exit fees
- No performance fee
- Money back within a week of receiving redemption request

ABOUT MVAM

Mole Valley Asset Management offer innovative and bespoke investment services to private clients and intermediaries. 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

CRAIG HARPER



ANDREW HOLDER



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TIME TO LOOK AT THE BIG PICTURE?

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