

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

October - December 2021

2021 will be considered a stop-start year in the global markets. After 2020 and the COVID-driven crash in the financial markets, 2021 proved to be a fruitful year for equity investing and the Premium Dividend Portfolio (PDP). Secure dividend-producing companies were penalised in 2020 as dividends were cut. 2021 saw dividends re-installed in those companies with secure dividends performing strongly.

As we would expect, 90% of the return on the Premium Dividend Portfolio was derived from stock selection. Sector selection contributed approximately 1.5%.

Within the portfolio, the total return performance range of the companies was vast. BT led the way, with French telecom operator Altice taking a significant stake in the company. After years in the doldrums, could the European telecom operators finally see cross-border consolidation? We remember asking this same question in January 2002!

Our oil exposure in Royal Dutch Shell and TotalEnergies (name changed to reflect their move away from fossil fuels) performed strongly over the year. Energy prices soared globally as a number of geopolitical events increased pressure on supply. Given a lack of capital expenditure over the last 10 years, supply dynamics remain very tight globally. An example would be Shale oil producers, who typically provided excess supply when prices rise above \$65 a barrel. The move towards sustainable investing has reduced the banks' appetite to lend to Shale producers. As a result, this swing producer has struggled to find financing and no longer acts as the swing producer when demand rises.

On the negative side, litigation impacted two companies held in the portfolio. Bayer continues to progress to a resolution with their US litigation concerning the Roundup weed killer. We expect a resolution in 2022 and see the current value offering significant upside.

The second company, Holcim, the Swiss/French cement producer has suffered due to an ongoing lawsuit surrounding potential crimes against humanity. This is a serious offence, but we believe the impact on the share price has been excessive and, after discussions with management, see significant potential in the underlying business, especially its ability to pass on rising raw material costs to customers. The existing management were not involved in any of the allegations under investigation.

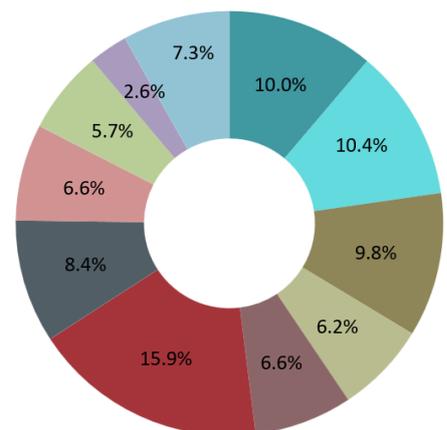
Overall, a good year and we continue to see significant opportunities for 2022 and beyond.

Top Ten Holdings

Name	Portfolio
Porsche Auto-PRF	4.7%
Piaggio & C SPA	3.8%
Royal Dutch Sh-B	3.8%
UPM-Kymmene Oyj	3.7%
Van Lanschot Kem	3.7%
SNAM Spa	3.7%
Holcim Ltd	3.6%
NN Group	3.6%
TietoEVRY Oyj	3.4%
Glaxosmithkline	3.4%

Top Ten Holdings

37.5%



■ Materials
 ■ Financials
 ■ Health Care
 ■ Communication Services
 ■ Cash
 ■ Utilities
 ■ Information Technology
 ■ Consumer Discretionary
 ■ Energy
 ■ Industrials
 ■ Consumer Staples

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

PERFORMANCE

1m	3m	6m	1y	Inception
3.8%	2.0%	4.2%	11.0%	14.4%

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%	4.43%	2.29%	1.81%	-1.53%	1.18%	-1.25%	-5.11%	12.98%	2.64%	-7.20%
2021	-0.77%	1.34%	4.28%	3.08%	-1.28%	-0.18%	1.42%	3.00%	-2.22%	0.84%	-2.57%	3.71%	10.86%

Key Facts

Inception Date:	28-Mar-19
Annualised Rate of Return:	4.78%
Best Month:	12.98% Nov-20
Worst Month:	-13.06% Mar-20
No of Holdings:	25
Risk Grade:	Moderate
Std Dev:	4.16%

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.

WARNING: Past performance is not a guide to future performance

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 fees
- Fees 1.25% including VAT
- Dealing fees of 0.4% fee

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

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TIME TO LOOK AT THE BIG PICTURE?

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