



MVAM
MOLE VALLEY
ASSET MANAGEMENT

Our Relationship with Intermediaries

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Authorised and regulated by the Financial Conduct Authority Reg No. 613008

Welcome to Mole Valley Asset Management

www.MVAM.com



“In life we all try to make conscious decisions about our relationships, our work or our family, but making conscious decisions about our own money somehow seems harder. Professional advisers help their clients to make that conscious decision and

MVAM helps those advisers. Our aim is to help you have an open and honest relationship with your clients by being fully transparent in how we invest, what risks we take and the fees that we charge. Together we can help your clients to have a real relationship with their money and, by default, a closer relationship with you, their adviser”

Craig Harper

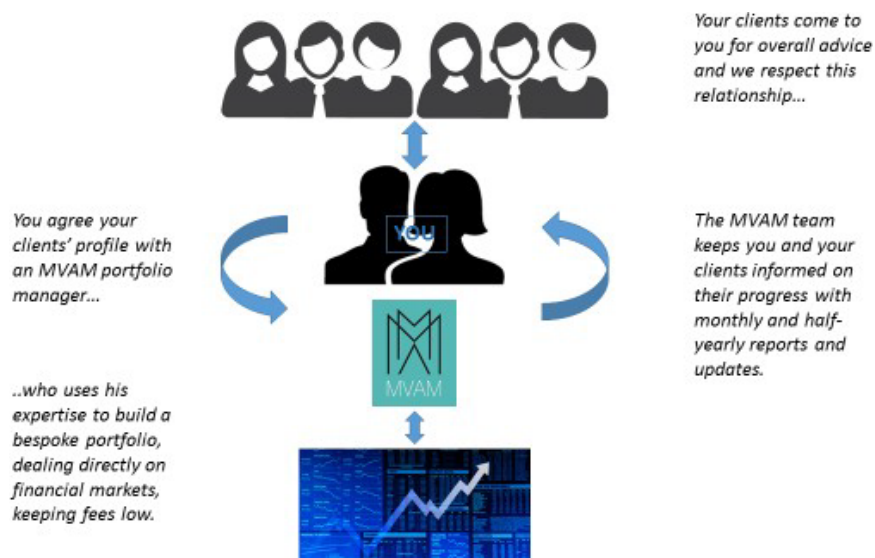
Managing Director

Is it time...to start a relationship with MVAM?

When people consult a professional adviser, it's usually for good reasons. After all, major decisions like buying a house, dealing with an inheritance, selling a business or making an investment are not easy. There are many choices available and making the right choice needs experience. An accountant can bring this experience and help with those major financial decisions, from giving tax advice to providing payroll support, bookkeeping services and carrying out the annual audit. As a valuable business adviser, accountants also find that clients may look for help in managing their investment portfolios and when it comes to investing, accountants often themselves look to specialist partners with the relevant skills and experience to help their clients make the most from their money.

This is where Mole Valley Asset Management (MVAM) comes in. Investing is what we do and what we love to do. Our team of investment professionals has many years of experience working in financial markets and managing client money. We concentrate on what we do best, leaving you free to look after your clients' other needs and aspirations. You stay in control of the client relationship, and we send you regular monthly and bi-annual reports on your clients' performance.

So if you like what you see, and think our services might suit your clients, then get in contact today and we can arrange an introductory meeting. If you do go ahead and introduce us to your client, be sure that we will keep both you and your client informed on the performance of their portfolio. You can monitor what we are doing and ensure that your client's portfolio remains suitable for their situation.



Our Advantages For Your Clients

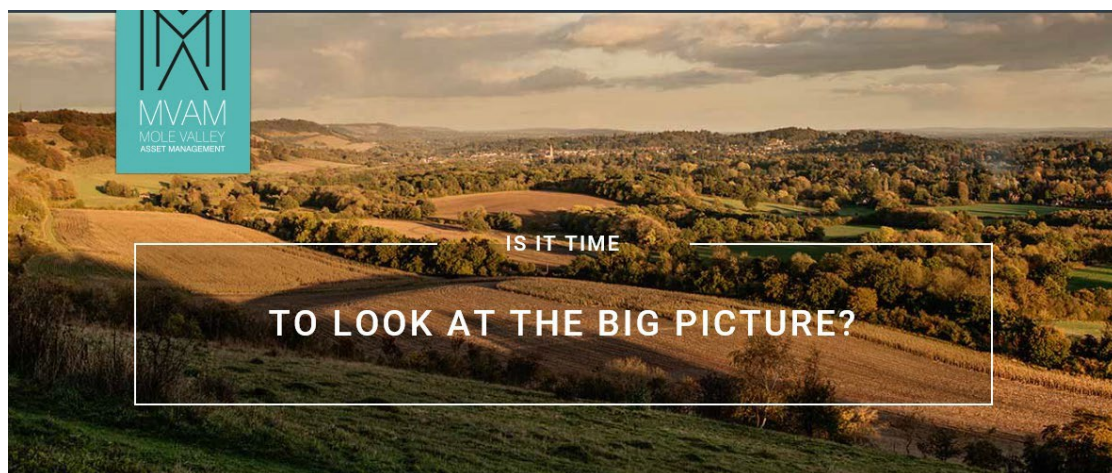
We know that recommending MVAM services to a client requires trust and confidence that MVAM is ready and able to take on such a significant level of responsibility. We accept that duty of care and commit to making the right investment decisions on your clients' behalf. Core to our offering is recognition that we respect that the accountant maintains the primary relationship with the client. We focus on what we do best, investment, leaving you free to focus on your clients' broader financial and regulatory needs. But in a nutshell, these are the other key reasons accountants come to us....

- **Our story.** *MVAM isn't just another faceless institution in the City. We do things differently. We require a real relationship with our selected Professional advisers so we can give you a service that will set your company apart from its competitors.*
- **Our attitude to risk.** *We are honest about risk and we embrace it. You should recommend us to your clients only if they are open to taking risk. To us, benchmarks are things to beat, not to cosy up to.*
- **Our approach.** *We take an unbiased, process driven investment approach with no conflicts of interest. We believe that markets respond to change, and that's what we look for.*
- **Our team.** *We are investment people and we love what we do. What we didn't love was traipsing up to the City every day to work for companies that were only interested in how they could make money out of their clients. We think it should be the other way around.*
- **Our solutions.** *Our bespoke portfolios are truly individual and tailored to the client. Clients and their advisers can have a real relationship with their portfolio manager who invests directly into the markets. There is no-one else between them and their money.*
- **Our commitment to you.** *We are happy to be held accountable, ensuring the decisions made on each client's portfolio are in line with their requirements. We keep clients and their advisers in the loop, with regular dialogue, meetings and monthly, biannual and annual reporting. We do the hard work so clients don't have too.*
- **Our fees.** *There are no entry or exit fees. Our fees are aligned with performance, are fair and transparent and include VAT where applicable. There are no hidden extras we even detail all dealing costs.*

Our story

MVAM is a new type of Investment Company that offers innovative and bespoke investment services to private clients, professional intermediaries, charities, trusts and pension funds. MVAM was founded in 2013 by Craig Harper who, after years of investing money at those big institutions in the city, decided he wanted to do something more personal for clients he could relate to. Rather than just make the wealthy wealthier, it felt like time to give anyone a chance to share in the upside from investing in good companies.

Having tested the concept at a small accountancy firm in his hometown, Craig was ready to set up his own investment company with the help of some like-minded City professionals. Now up and running, proprietary equity screening and original research, together with heaps of invaluable market experience, provides the foundation for MVAM's goal of long-term uncorrelated and excess returns for all its clients.



Our Culture

MVAM is a relationship-based asset manager, motivated by a spirit of broad-based employee ownership. Our head office is in Dorking, Surrey, where many of our employees live as well as work, allowing us to be independent and shielded from the noise and chatter that encourages short-termism and which circulates in the City of London.

We strongly believe that direct contact with our Portfolio Managers is key to our ability to judge the perceived risk and expected returns of our clients and invest accordingly. This is where we feel that the city has, by and large, failed its clients. The big institutions are simply too detached from the end clients to serve their needs effectively. We do things differently, and our clients appreciate it.

We believe everybody should have a chance of growing their capital and changing their financial future. Our minimum investment threshold for referred clients is just £50,000, although we will consider a starting ISA application of £20,000.

Everything we do is open, transparent and understandable. We aim to give our clients a real relationship with their money.

Our attitude to risk



Risk is finance's favourite four letter word, but it doesn't have to be.

In many areas of life risk is sort after. To get the best from windsurfing, indeed to get the best from most things in life, you have to take some risk. It's no different for your savings. If you take no risk you would expect dull returns. At MVAM we are no experts at windsurfing, but we are experts at investing.

Is that dangerous? Do we take too much risk? No, rather we take calculated risks with money as windsurfers do with waves. Our ability to take on risk is determined by more than just a capacity to absorb losses, but by our ability to manage those risks based on the information systems we use, the skill sets and experience of our people and the controls and infrastructure we have in place.

Because our portfolio managers know you and your client as well as they know their investments, your client portfolios can sail as close to the wind as is suitable. We invest directly into the markets, not using funds or platforms, meaning we can change tack quickly when things turn out unexpectedly.

In short, At MVAM we use our experience to embrace risk rather than shy away from it.

Our Approach



We believe that attractive returns can only be achieved by active management and by structuring portfolios that are distinct from the market indices, so we refine our best ideas into a focused portfolio, holding a limited number of stocks. This way we can ensure that each and every position we hold has a real impact on the returns of the fund.

Our approach is best summed up by this example of buying a stock:

When markets are most fearful on a stock, that stock tends to be most volatile (risky). At this point the stock resembles a theatre filled to capacity. Someone has seen some smoke and yells “Fire, Fire”. There is a mad rush for the exits.

In the theatre of the stock market, before you can leave your seat (stock holding), someone else must buy it.

The trick is to buy seats in those theatres where there is a mass exodus, i.e. tickets are going “cheap”, and you know there is no real fire, or it is well on the way to being put out* Don’t get us wrong, we want to be at the best shows in town, we just want to find them before the seats are going for top prices.

Our concentration on small and medium size companies is an extension of this process. The large theatres of the stock market are crowded not only with normal ticket buyers, but also by those who want to buy tickets for every show (index funds) or by ticket touts (derivative traders) who buy a bundle of tickets and try to sell them on individually for a profit. On the other hand the little theatres have less of a crowd. It is easier and cheaper to get a ticket. And if you catch the show that is going to be the next big thing

We think you get the picture.

We don't trade exclusively in small caps. But we use sophisticated screening tools to highlight stocks that have those fires going. Then through experience and understanding we buy those stocks we believe will change positively.

Obviously sometimes we get things wrong. So we maintain a strong reassessment discipline and sell, even at a loss, where we have underestimated the damage.

Our team

There is no substitute for experience and our investment team has a plenty of direct investment experience, demonstrating longevity through many economic cycles. Every member of our team has a securities markets background, from the portfolio managers to the administration professionals, which means that we are totally focused on our investment mandate.

Managing Director- Craig Harper



Craig has 28 years' experience in portfolio management, having previously held the position as Head of Process at SG Asset Management with a team responsible for over £5bn in European equities.

Prior to that Craig was Head of Equities for Daiwa SBI, and Head of European Equities at First State Asset Management/Colonial Mutual.

Compliance Manager – Lisa Sampson



Lisa is the Compliance Manager at Mole Valley Asset Management. She ensures that we comply with all current regulation, maintaining our relationship with the Financial Conduct Authority and would be the contact for any complaints that clients may have. She has previously worked at JP Morgan in the City of London for a number of years, before choosing to work more locally.

Director & Portfolio Manager – Duncan Sanford



Duncan Sanford is the Director and Portfolio Manager for MVAM York office. He has over 20 years' experience in the international financial industry, successfully combining direct investment and managing active investment teams. He worked as CEO and CIO for Nestlé Capital Management Ltd accountable for the global pension fund assets, managed both internally and externally. He joined MVAM from LGPS Central Limited, an aggregation of nine U.K. public pension funds, where he was the Deputy CIO responsible for building the internal investment team and selecting external investment opportunities.

Finance Director – Rachel Rigby



Rachel has over 20 years' experience in the financial services industry working as an accountant for Citigroup Asset Management, ABN Amro and Aviva before moving into project management at Aviva. She is a Fellow of the Association of Chartered Certified Accountants.

Investment & Systems Administration Manager- Vikki Thompson



Vikki has worked in investment support roles since the turn of the millennium including stints at London based firms Julius Baer and Daiwa SB Investments. She joined MVAM when it opened in 2014 helping to set up the systems and welcome our new clients. She manages the investment administration department and keeps the systems rolling. The job title says it all!

Investment Administration – Alison Keating



Alison has over 11 years' experience in the pensions industry having worked for Legal & General in their final salary department. She joined MVAM in February 2018 and works alongside Vikki in the investment administration team.

Assistant Portfolio Manager – Aidan McCormack



Aidan joined MVAM in March 2021 and has experience in project management and private equity. He graduated in 2020 with a master's degree from London Business School and holds a BEng in Civil Engineering. Aidan joined MVAM as an Assistant Portfolio Manager, responsible for providing support to the portfolio managers over a range of investment processes.

Client Relationship Manager– Sherry Kahraman



Sherry joined us in early September 2021. She brings with her a successful background in building and maintaining client relationships whilst dealing with the day-to-day nitty-gritty of administration and on-boarding. Sherry has a passion for numbers, so much so she became AAT qualified to Diploma level in her spare time.

Head of Advice– Sarah Pohlinger



Sarah has eight years' experience as a financial adviser, specialising in pensions advice and savings and investments. Prior to starting and developing Leabourne Financial Advice, Sarah worked for 20 years as an investment manager working for a number of prominent investment houses including SG Asset Management and Barclays Global Investors. Sarah holds a Degree in Business, a Teaching Degree and a Diploma in Regulated Financial Planning.

Paraplanner– Annemarie Otchere



Annemarie is our first recruit of 2022 and has joined the Hertford office to help look after our clients. She has over 15 years' experience in the financial services industry as well as a stint in Real Estate. Annemarie will be supporting both new and existing advice clients as well as establishing our base in Hertford. Annemarie holds a Masters' Degree and is currently studying for her Diploma in Regulated Financial Planning.

Our solutions

We offer two solutions, a bespoke management service and a simpler model portfolio:

Bespoke Portfolio Management

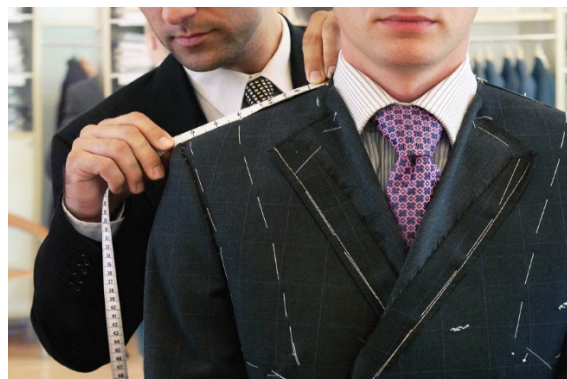
We build bespoke portfolios of securities based on the individual profiles of the client, their attitude to risk, their capacity for loss, their investment time horizon and their future needs for income and/or capital.

One of our dedicated portfolio managers will agree an appropriate strategy with you and your client, constructing a portfolio of investments to meet those requirements. Each client is assigned a risk category (High Risk or Adventurous) which will help determine the level of risk that the portfolio manager can take and the type of investments that can be made in that portfolio. A target number of securities is agreed (with lower and upper limits set) and a maximum loss ratio is set (if the portfolio valuation nears that limit it will trigger a discussion with you and your client).

Investments are focused on both UK and European listed securities, including equities, and bonds. These are our strengths and MVAM portfolio managers have extensive experience of investing in these securities and geographies. MVAM does not invest client money in Unit Trusts or Mutual Funds, or alternative assets such as property, hedge funds or derivative instruments. At any point in time, a portion of the portfolio may be held in cash or cash equivalents, in order to allow liquidity and flexibility to take advantage of periods of market volatility.

The investment portfolio will be concentrated and unlikely to have more than twenty-five holdings at any period of time. Diversification is achieved through the different underlying characteristics of the securities we invest in rather than having a large number of holdings. The portfolio is therefore likely to demonstrate short term volatility higher than the industry norm. We see this as an imperative if your client is to be able to achieve consistent medium- and long-term performance ahead of benchmarks.

Since our investment process and discretionary portfolio management approach will always include an element of risk, we do not offer our services or recommend them to clients who are looking for absolute capital guarantees or seeking absolute capital preservation.



Model Portfolios

Whilst the focus of this information pack is on our bespoke service, we do offer the following model portfolios:

- AIM IHT Model Portfolio consists of a focused list of 20 AIM listed securities picked by the team. The portfolio is focused on strong, profitable companies with a successful track record, valued at between £100m and £1bn. Whilst there are never any guarantees, we would expect that investments within the portfolio will be exempt from inheritance tax if held for at least two years.
- The Premium Dividend Portfolio consists of 25 companies from the UK and Europe and is designed to give 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.
- Yorkshire T20 Portfolio will only invest in 20 Yorkshire based listed companies, in line with our firm commitment to local community-based asset management. The locally based team at Mole Valley Asset Management has the knowledge and experience to understand these companies, identify the changing trends and to select the Top 20 Yorkshire listed companies for the portfolio.
- Make The World Better Portfolio is built on the key targets that underpin the UN Sustainable Development Goals with the aim of 'improving health and education, reducing inequality, and spurring economic growth – all while tackling climate change and working to preserve our oceans and forests'. We recognize that whilst our clients quite rightly expect a financial return from their investments, it doesn't have to be at the expense of our environment or detrimental to our society.
- Fixed Income Portfolio is for people who are unsure what to do with their savings. You don't need them now and you feel that you shouldn't spend them. Investing them in risky options has its appeal but you aren't sure you will be able to sleep through the down times. So, if you just need some peace of mind that your money won't disappear in the hard times and at least make some return in the good, this is the portfolio for you.

We offer other Model Portfolios for intermediaries who prefer to limit the variance in returns across their referred client base (outside of the natural variance drawn from the timing of new money inflows).

Model portfolios can be published and provided to advisory firms on a monthly basis for consideration for potential clients.

Investor Profile

Not all investors are suitable to invest with MVAM. Below we outline the profile of investors we are looking for:

Duration

As equity returns are volatile and we look for that volatility, investors who are looking to invest for just a short period, 1-2 years, are unlikely to be suitable for MVAM.

Return expectations

Benchmarks such as the FTSE 100 index are used by the investment industry to measure how well an investment is performing. The return of the FTSE, made up of the UK's biggest companies, has not only to be beaten by fund managers but the funds they run cannot be too far away from the returns of the index, otherwise they are deemed to be taking too much "risk".

Now this is what some call the tyranny of the benchmark. What do we mean by this? Well it means that since managers cannot be seen to be taking too much risk versus the benchmark they tend to put most of their money into stocks that are already the biggest and most successful stocks around. And for UK equities it means that holdings can be concentrated in a few large stocks such as HSBC, Vodafone or BP.

Remember what happened to BP? The stock made up over 6% of the value of the FTSE index prior to the Macondo oil spill. After the spill the BP share price halved. If you were in an index fund or normally run unit trust you would have lost a fair bit of capital on just one stock, just because it was a big part of an index.

We see benchmarks, such as the FTSE100 as representing the world as it was yesterday. But the performance of your funds will depend on how the world will look tomorrow. Our portfolios will be aligned for tomorrow not yesterday.

Suitable investors must be happy to expect their portfolio to produce returns that may be significantly different from benchmarks.

Ability to lose money

Investors have to be prepared to see their portfolio experience losses for periods of time and indeed, if the worst happens, even lose money over the long run.

Liquidity

Liquidity is not a problem. If an investor wants to close the account, funds are usually paid out within five days with no extra costs.

Our commitment to you

MVAM believes it's important for all its advisers to feel connected to its portfolio management team. So we commit to making our team available for face-to-face meetings with you and your clients if you wish, on a regular basis. We will organise once yearly seminars and presentations for your company, where our portfolio managers will be happy to meet you and your clients to explain our investment philosophy and process and, where appropriate, will invite the management teams from some of the company's we invest in to present their businesses.

Informing clients on how the portfolio is performing is a crucial part of our philosophy and we will do this by sending monthly reports to investors and their advisers and a more detailed report every six months. We will be open about our holdings, the rationale supporting our purchases and sales and updates will include any relevant information related to the market environment and our strategic thinking at MVAM.

In addition, individual portfolios and their performance are available to both clients and their advisers online or via an app which can be downloaded onto tablets and smartphones.



Finally MVAM provides all its clients with annual income and capital gains tax reports where required.

Marketing

MVAM ultimately believes that the performance of client portfolios speak for themselves but will also look to build brand awareness and a sense of 'community'. We do this with our selected advisers by providing the opportunity for a yearly seminar, and investment columns and articles that will be provided to both regional (in co-operation with partners) and national publications.

MVAM will prepare and publish factsheets and one-page flyers either branded or white labelled for intermediaries on request.

Fee Structure

Our fees are aligned to portfolio performance. Unless significant performance is achieved, fees will be lower than the industry standard.

Dealing Fees

We charge 0.3% on each.

Management Fees

Fees will be charged on money that you have given to us to manage on a discretionary basis.

Ad hoc lump sum investments will be charged management and performance fees on a pro-rated basis.

Bespoke Portfolios:
SIPP Portfolios
Dealing Fees
0.4% per deal Rates may change if our underlying dealing costs go up or down
Management Fees – inclusive of VAT
1% for the first £250,000 per annum 0.7% for the remainder of your funds
Performance Fees – inclusive of VAT
15% of Returns (net of Management Fees) over 5% in a Calendar Year A high watermark will apply if a return in the Calendar Year is negative. Performance Fees will not be reinstated until the Fund Returns to a level above their highest year end close.
SIPP Wrapper Fees
Your pension wrapper provider will charge additional fees. These will be explained by the provider in the process of setting up your wrapper.
Structured Portfolios:
Inheritance Tax, Premium Dividend, Make the World Better, Yorkshire T20, Precious Metals* and Fixed Income* Portfolios
Dealing Fees
0.4% per deal Rates may change if our underlying dealing costs go up or down
Management Fees
1.25% including VAT per annum *Precious Metals and Fixed Income Portfolio 1% including VAT per annum
Performance Fees
None

High Watermark

A high watermark will apply if the return in a calendar year is negative. Performance fees will not be reinstated until the portfolio returns to a level above the highest year end close.

Please note: Where there are multiple portfolios for a single family or related clients, these can be combined for management fee or reporting purposes.