



Fixed Income Portfolio



Investment objective

Our Fixed Income Portfolio invests in a combination of government and corporate bonds. Through a combination of 20 securities, we aim to provide steady, low risk returns, which can counteract the volatility often found in equity markets.

Quarterly commentary

Three acronyms dominated the financial markets in 2023: IR, AI and BRICS. In 2023, Interest rates (IR) dominated the investment landscape, as central banks reacted to the rapid rise in inflation. We expect the reverse to be true throughout 2024, as inflation falls faster than expected and subsequent interest rate cuts.

Artificial Intelligence (AI) became a mainstream topic of conversation in 2023, threatening to revolutionize the world and take over jobs. We expect AI to change the landscape in many industries and expect it to provide opportunities, both in terms of job creation and productivity

The third acronym, BRICS, (classically composed of Brazil, Russia, India & China) expanded in 2023 to now include Iran and Saudi Arabia, amongst other new members. This group now accounts for 29% of global GDP and 43% of global oil production. We expect this group to continue to increase in size and challenge the G7 nations going forward.

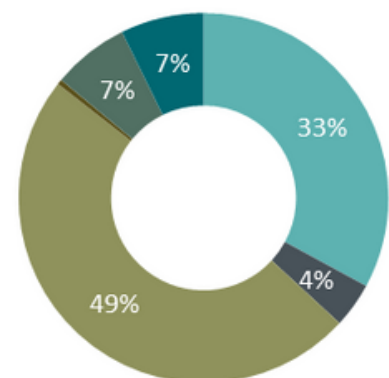
The final quarter of 2023 rounded off a strong year for the Fixed Income Portfolio. As with Q3, we remained heavily invested in UK and US short-term government bonds, whilst retaining corporate bonds in companies with strong balance sheets, to mitigate the risks associated with current economic turbulence. This strategy has led to underperformance in the last quarter, despite outperformance over the course of the year. We will rebalance the Fixed Income holdings over the course of 2024, which will be of particular importance given we expect a decline in interest rates over the coming year.

October - December 2023

Top Holdings

Name	Weight
UK Gilts 0-5 Year	10.23%
US Treasury Bond Short-Term	9.48%
Invesco Bond Income Plus	7.04%
UK Gilts 7-10 Year	6.12%
National Grid 2024	5.95%
Top Five Holdings	38.81%

Sector Weights



■ Government Bonds ■ Consumer Staples
■ Financials ■ Utilities
■ Real Estate ■ Cash

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

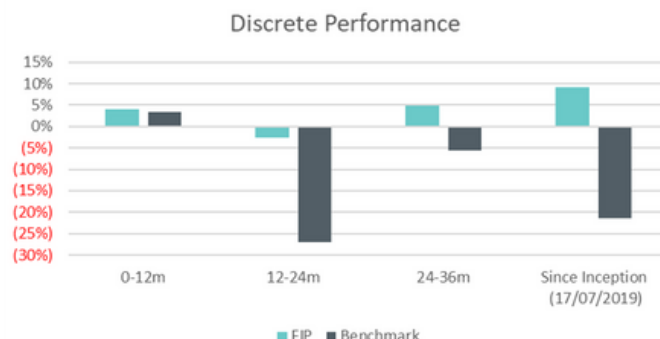
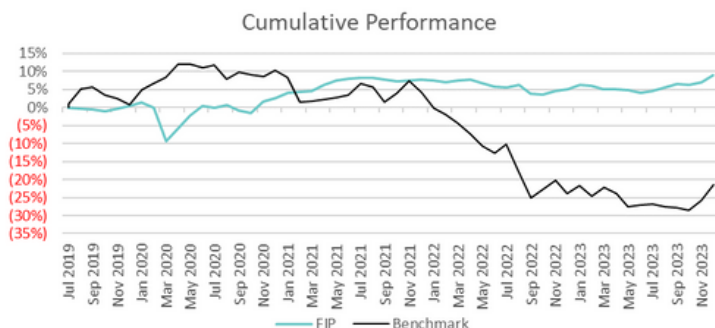
Phone: 01306 776999 or 01904 929430 **Email:** enquiries@mvam.com

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Performance

Cumulative Performance				
	3m	6m	1Y	Since Inception (17/07/2019)
FIP	2.33%	1.19%	3.94%	9.08%
Benchmark	8.99%	7.81%	3.35%	-21.43%

Discrete Performance				
	0-12m	12-24m	24-36m	Since Inception (17/07/2019)
FIP	3.94%	-2.52%	4.81%	9.08%
Benchmark	3.35%	-27.08%	-5.56%	-21.43%



Performance is a composite made from grouping together each individual client Fixed Income 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 a set weighting in each of the MVAM Fixed Income Portfolio stocks. Occasionally the portfolios may hold some cash when we are between investments. Past performance is not a guide to future performance. Our benchmark is the Vanguard UK Government Bond Index Fund. Performance figures are 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

www.mvam.com

Mole Valley Asset Management Limited, 275 High Street, Dorking, RH4 1RY

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