

# Fixed Income Portfolio

Quarterly Report: Q2 2025



## 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.

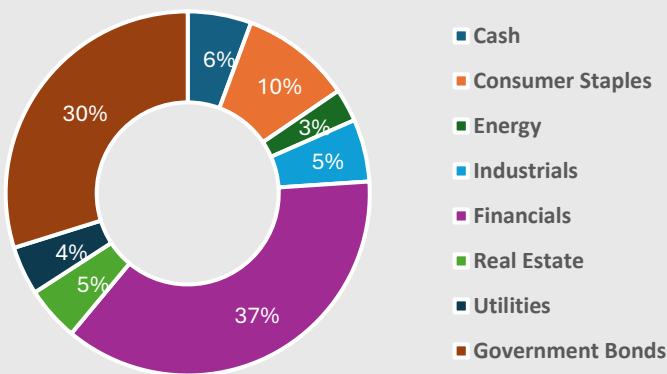
## Quarterly Commentary

Our fixed income strategy underperformed over the past three months. This was the first period of underperformance in quite some time. Bond markets rebounded strongly, driven by rising expectations, and in some cases actual moves, by central banks to cut interest rates. Our portfolio remains more tilted toward shorter-term bonds than the benchmark. These bonds typically rise less in value when interest rates fall, so we did not benefit as much from the recent rally. We are gradually increasing our exposure to longer-term bonds and therefore benefit from a stronger bond market but are proceeding cautiously due to ongoing uncertainty, particularly around the impact of new tariffs.

Global bond markets continue to focus on the growing levels of government debt. While expectations for interest rate cuts have risen, some central banks have held off, citing concerns about a potential resurgence in inflation. In Europe, rates have been cut significantly, showing a more proactive stance. The UK has been more cautious however rates were cut by 0.25% in May as the economic slowdown become more evident.

During the quarter, two of our holdings, Aviva perpetual bonds, were called, meaning the debt was repaid early. We reinvested the proceeds into a perpetual bond issued by Ecclesiastical Insurance. We believe this bond offers a good balance of risk and return, along with the potential for early repayment, which could add short-term value.

Sector Weights: April – June 2025



Top 5 Holdings

Ishares 0-5yr UK GILTS ETF	10.24%
Invesco Bond Inc	9.97%
0.5% '61 GILT	9.29%
Volta Finance	6.66%
Biopharma Credit	6.39%

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

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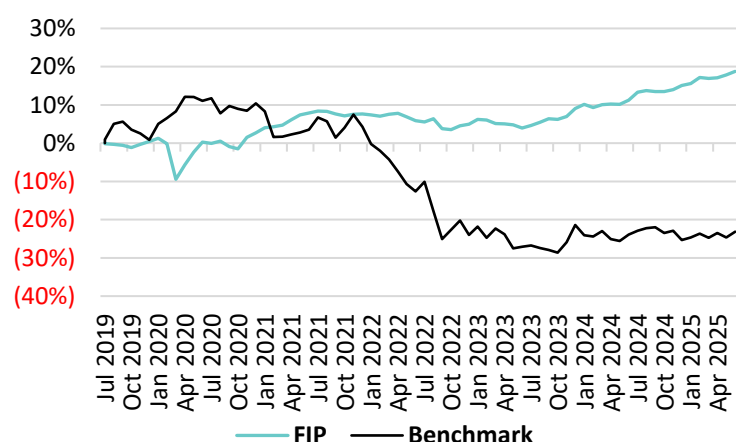


## Performance

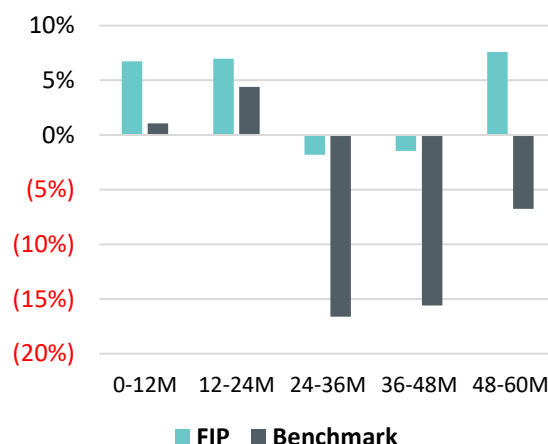
Cumulative Performance							Since Inception (17/07/2019)
	1M	3M	6M	1 Year	3 Year	5 Year	
FIP	0.75%	1.55%	3.23%	6.75%	12.15%	18.40%	18.76%
Benchmark	1.56%	2.46%	2.40%	1.07%	-12.01%	-30.76%	-23.10%

Discrete Performance					
	0-12M	12-24M	24-36M	36-48M	48-60M
FIP	6.75%	6.98%	-1.80%	-1.87%	7.59%
Benchmark	1.07%	4.39%	-16.61%	-15.59%	-6.77%

### Cumulative Performance



### Discrete Return



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. Our benchmark is the Vanguard UK Government Bond Index Fund. Performance figures are Net of Fees.

**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 of 1% 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.



**Craig Harper**  
Managing Director



**Duncan Sanford**  
Director & CIO



**Aidan McCormack**  
Assistant Portfolio Manager

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