Get Rich Slowly: Back into battle

Our investment specialists go into battle once again for portfolio supremacy.

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Twice a year, David and I shuffle with trepidation into the Colosseum of our portfolio head-to-head: less Pedro Pascal in his rippling prime and more Russell Crowe after one too many pies (more of which later).

From the safety of the stands, the Kepler analyst team relish every thrust and parry of our more, erm, ill-chosen investments. Are you not entertained? Judging by the office sniggers, they most certainly are but sadly at our expense.

After a dramatic six months of Trump 2.0 (a modern-day Commodus in ego if not hair), have our portfolios emerged victorious or been trampled in the dust? Let's find out...

Our top-performing investments

Starting off with the glory hunters, these were the top-performing investments in our portfolios over the last six months:

JO'S TOP PERFORMERS	DAVID'S TOP PERFORMERS
1. Vanquis (VANQ), 89%	1. QinetiQ (QQ), 35%
2. NVIDIA (NVDA), 44%	2. Chapel Down (CDGP), 30%
3. Capita (CPI), 39%	3. Equasens (EQS), 28%

The comeback kids with a side order of chips (Jo)

Once again, UK equities claimed two of my three podium spots. Despite our national pastime of self-deprecation (and mounting budget jitters), there are still plenty of bargains on offer in our home market.

I could credit my stock-picking prowess to the valuation skills honed in my corporate finance days, happily churning out DCF models to justify lofty valuations for loss-making companies (at least until the dot.com bubble burst). Or I could be honest enough to admit that our **Trust Issues podcasts** with fund managers are a veritable goldmine of investment ideas.

Sub-prime lender **Vanquis (VANQ)** led the charge with a blistering 89% gain (and up nearly 150% over the past year). Formerly Provident Financial, it lends to customers with more chequered credit histories. Even after its recent rally, the share price still languishes at a third of its 2022 peak, having been hammered by bad debts and rising compensation claims.

But the market loves a comeback and a refreshed management team has steered the business back into profitability while deftly sidestepping much of the car finance compensation storm (thanks to low commissions). However, with 12-month share price forecasts looking more muted, it could be time for some judicious profit-taking.

While we're in confession mode, I finally cracked in February and bought **NVIDIA (NVDA)** on pure FOMO. I haven't yet doubled my money but, in the words of Jon Bon Jovi, I'm already halfway there (though quite possibly living on a prayer). The chip giant commands a mind-boggling 90% of the AI GPU market but has (so far) managed to stay on the right side of antitrust regulators.

Quarterly results keep smashing expectations, propping up a valuation that may induce mild vertigo for even the most bullish of investors. Its AI growth runway is compelling, but with shares priced for perfection, a failure to meet punchy earnings targets could prove costly.

Outsourcing specialist **Capita (CPI)** rounds out my trio, up 39% on another turnaround story. After years of operational missteps, it appears to have turned a corner by cutting costs, winning public-sector contracts and channelling savings into an AI war chest.

The recovery is still in its infancy and sustained growth across divisions remains elusive. But with positive free cash flow expected by year-end, a forward P/E of less than 7 and a 70%-plus 12-month price target, there's potential upside for adventurous investors, albeit with a few bumps along the way.

Popping the English sparkling wine corks (David)

I've hitherto tried to steer clear of the European defence theme, because it looks, to me, like a classic bubble: even after a recent c. 20% fall, Germany's Rheinmetall is still up c. 500% in the past two years and c. 186% over 12 months.

I tend to be wary of thematic funds when there are lots being launched and European defence seems to be the theme du jour. The WisdomTree Europe Defence UCITS ETF (WDEF), for instance, was launched in March 2025 and has since garnered €3 billion (£2.6 billion) in assets.

Despite this popularity, thematic funds tend to perform well for a while, before going on to underperform once the theme runs its course, a turning point that's impossible to time. Indeed, in the 15 years to 30/06/2024, 60% of thematic funds closed down, 31% underperformed and just 9% outperformed.

Having said all that, I have had some success with the defence theme. **QinetiQ (QQ)** tops my six-monthly performance table, with a decent gain of 35%. QinetiQ provides a swathe of defence-related services, including mission rehearsals, analytics, and cyber security, mainly to UK, US and Australian governments (the Ministry of Defence accounts for 57% of its revenues).

At the time (in early January), it seems to be a relatively cheap way to play the defence theme as the share price had fallen c. 20% at the time – and I'm hoping it will reward me over the long term.

Some of the investments on the list have been turned upside down, not least the English winemaker **Chapel Down (CDGP)**, which was my worst performer the last time we did this exercise, but the recovery in its share price has moved it up to second-best performer.

Shares had fallen after the firm swung to a loss in its last financial year, at which time I took advantage of my 25% off shareholder perk to buy some of its wine and also topped up my shareholding to get me closer to the magic 2,000 shares number, which will get me 33% off plus an annual guided tour for two people.

The announcement of a new executive leadership team of CEO James Pennefather and CFO Louan Mouton alongside better half-year results seems to have been welcomed by the market and shares have rebounded somewhat, though remain 39% lower than this time last year.

Finally, one of my European stock holdings, **Equasens (EQS)** just edged out **Fidelity China Special Situation (FCSS)** to move into my top three best performers list. The French firm is a healthcare solutions business, providing software to pharmacists, hospitals and retirement homes.

Shares had fallen precipitously into its disappointing annual results for 2024, but announcements in May and July that revenues for the current year are back to growth seemingly cheered investors and have contributed to a c. 50% gain since April.

Our bottom-performing investments

Next up, an imperial thumbs down for our triumvirates of disappointments:

JO'S BOTTOM PERFORMERS	DAVID'S BOTTOM PERFORMERS
1. Denali Therapeutics (DNLI), -44%	1. Raspberry Pi (RPI), -46%
2. STV (STVG), -35%	2. 4imprint (FOUR), -34%
3. Polar Capital Healthcare, -9%	3. Greggs (GRG), -24.6%

Hero to zero (David)

As with CDGP turning the tables and going from worst to almost-first, so **Raspberry Pi (RPI)** did the opposite, going from best performing to worst performing. The maker of mini computers was top of my charts at the end of February with a gain of just over 100%, but has since given all of those gains back, with a 46% fall over the past six months. Fortunately, I'd taken profits on the way up, which cushioned the fall slightly.

RPI had essentially sold off between January and April alongside the high-tech US stocks such as Nvidia (NVDA): RPI was down 32% and Nvidia down 30% from 31/12/2024 to 04/04/2025. Yet, RPI – perhaps because of its UK listing

– has failed to rebound since, falling a further c. 7% during a time where Nvidia has soared c. 93%.

A few other aspects have played into the fall, with pre-tax profits falling 57% in 2024 compared with the previous year and the end of the post-IPO lock-up period providing CEO Eben Upton and CFO Richard Boult to cash in c. £2.2 million in shares between them.

Still, Upton sounded upbeat at the full-year results, so shareholders like myself will be hoping its half-year results in September will yield a more optimistic outlook.

One company that looks prone to tariff-related impacts is **4imprint (FOUR)**, which I initially bought in December and then topped up at a much lower price in March only to see the share price continue to fall and only slightly recover.

FOUR makes promotional goods that are sold at corporate events and is in the unfortunate position of having a large exposure to the US, with North America accounting for 98% of the company's revenues. Chairman Paul Moody thinks product costs will rise in the second half of its financial year, but expects revenue and pre-tax profits to be within the range forecast by analysts.

Finally, **Greggs (GRG)** blamed the surprisingly balmy summer we've been having for reduced footfall in its shops in recent months. That's apparently contributed to a c. 50% slump in the share price.

I'm hanging onto the sausage roll baker for now, and have been heartened by the fact that it was one of the **most-bought stocks on investment platforms in July**. Let's hope all those investors are savvy value investors, rather than falling-knife-catching daredevils.

In not so rude health (Jo)

I may have banked some big profits in the last six months but sadly the same is also true for my losers. Healthcare has been my banana skin for 2025, with the Trump effect rippling from FDA appointments to an ever-shifting tariff backdrop.

US biotech **Denali Therapeutics (DNLI)** takes the wooden spoon with a bruising 44% drop. It's essentially a bet on the company's pipeline, centred on drugs designed to cross the blood–brain barrier to treat Alzheimer's and other neurodegenerative diseases.

As with most speculative biotech plays, clinical trial data can turn the journey into a rollercoaster. **Scottish Mortgage (SMT)** invested pre-IPO and still holds a stake, whereas I've watched a 100% gain over the past couple of years vanish. Still, I'm hanging on for now, lured by some impressive (if possibly over-optimistic) share price forecasts.

Scotland's leading commercial broadcaster **STV (STVG)** earns the dubious accolade of my quickest faller, plummeting 25% on a recent profits warning. The company has been busy expanding into content production for the likes of Apple TV, NBC and Netflix, but softening advertising revenue has taken its toll. The jury's still out on whether a cost cutting programme and the longer-term potential of its production arm can win back investors.

Rounding out the list is **Polar Capital Healthcare**, down a comparatively modest 9% as US policy headwinds buffeted the sector. Manager James Douglas describes sentiment as "on its knees", yet sees a compelling entry point in a sector "strongly dislocated from its fundamentals". The long-term growth drivers for the sector remain compelling so I'm keeping the faith through the current noise.

The final reckoning

Jo's final tally was a respectable (if not eye-catching) 8% gain for the six months. Not bad but a timely reminder of Warren Buffett's sage advice that the best way to make money is simply not to lose it. Food for thought for the next portfolio reshuffle.

David's 3% gain for the past six months is twice as much as the Vanguard FTSE All-World ETF, which returned c. 1.5% - a more than acceptable result, considering he still has c. 30% in cash, which shielded the portfolio through April's tariff turmoil but means he's not quite profited from the ensuing recovery.

Looking ahead, neither of us is planning any wholesale portfolio changes over the next six months. Jo's banking on the UK small-cap recovery gaining momentum and has added some longer-term positions in active Asian funds. David continues to drip-feed cash into the market slowly, cautious of high US valuations so preferring the Invesco S&P 500 Equal Weight ETF (SPEX) to the market-weight version, global small caps, and cheaper markets such as the UK and Japan.

In six months, we'll enter the arena once more, hoping for the spoils of victory but equally braced for office ignominy...

All numbers as at 31/07/2025 unless stated otherwise, based on share price total returns.

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