

FP MATTIOLI WOODS **GROWTH**

MATTIOLI WOODS
FUNDS

FUND MANAGER COMMENTARY

MARKET REVIEW

Following a tepid start to the year, the continued resilience of the US economy and cooling inflation put a spring in the step of equity markets over February. Most equity markets made gains over the month, with Asia Pacific equities leading the way. The outperformance of emerging markets bucks the prevailing trend for the past 18 months and was driven by a Chinese rebound. The rally appears to have been based on investor sentiment as data from the region continues to paint a more mixed outlook. In developed markets, the US and Japan were the strongest areas, with the former driven by the seemingly relentless enthusiasm for mega cap technology companies, and the latter reaching a new all-time high for the first time in over 30 years. UK equities were the clear laggard, with smaller companies faring slightly worse than their larger peers. In fixed income, yields were generally higher, meaning prices fell, as investors pushed out the timeframe for central banks to cut interest rates.

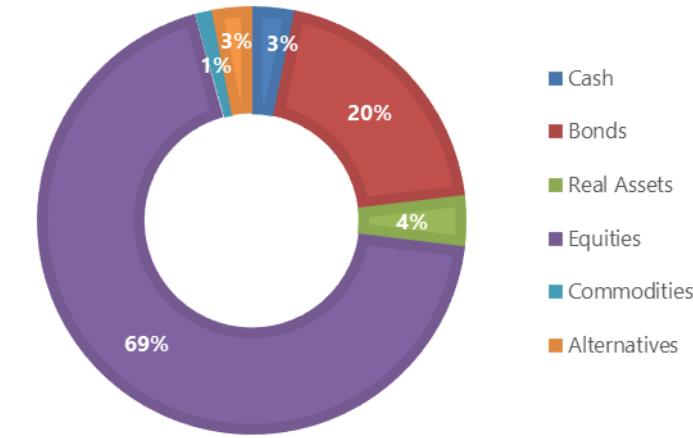
FUND REVIEW

The Fund delivered a positive total return over February, marginally lagging its benchmark, which represents the average of our peer group. UK equities, particularly the smaller more domestically-exposed companies, were a detractor over the month as official data showed that the UK economy had entered a technical recession in the second half of 2023. Although we reduced our exposure to UK commercial property assets as prices rose in the final months of 2023, the small exposure remaining to these assets was a detractor over the month. The position in US government debt was also a detractor over the period as a tight labour market and concerns over wage pressure reacceleration, were sufficient catalysts for yield increases. We expect short-term volatility in yields as market participants have become more attentive to surprises in economic data but retain confidence in the position as rates have almost certainly reached peak levels. The main contributors to performance were positions in international equities. Asia ex Japan equities were particularly strong, with share prices bouncing back from recent lows and investors cautiously optimistic that the gloom surrounding China may be starting to lift. Our conviction in Japanese equities has also been well rewarded, as strong investor appetite for Japanese equities continued and has driven a much faster than expected market rally in the region.

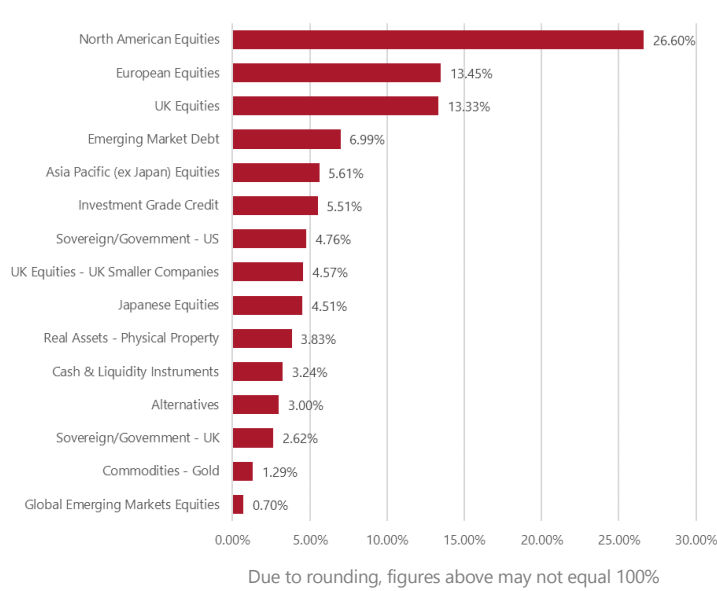
ACTIVITY

We continued rebalancing the portfolio into alignment with our new strategic asset allocation, which sees us reducing exposure to higher costing thematic funds in favour of broad regional positions in developed market equities as well as significantly reducing exposure to real assets (like property and infrastructure). Over the month, we finalised the exit from positions in healthcare and global insurance-focused equities, private equity trusts and infrastructure assets. We used the proceeds to add exposure to a broad range of US and European equities, focusing on the larger companies in both regions as well as maintaining a balanced exposure to Japan and global emerging markets.

ASSET ALLOCATION



FUND COMPOSITION



FUND PERFORMANCE



28/02/2019 - 29/02/2024 Data from FE fundinfo 2024

Source: Financial Express, bid-to-bid, net income reinvested, sterling terms. Performance is quoted net of fees.

CUMULATIVE PERFORMANCE as at 29.02.2024

	1 month	3 months	6 months	1 year	3 years	5 years
Fund	0.85	5.13	5.60	3.46	2.28	26.10
Benchmark	1.70	5.74	6.51	6.04	9.75	29.65

Performance data: Share Class B Inc

ANNUAL PERFORMANCE

	2023	2022	2021	2020	2019
Fund	4.80	-10.86	10.30	9.94	16.05
Benchmark	7.08	-8.98	11.30	6.70	15.66

Performance data: Share Class B Inc

RISK METRICS as at 29.02.2024

	3 years
Annual volatility	8.80
Maximum drawdown	-13.92
Sharpe ratio	0.00

Metrics annualised over three years for Share Class B Inc

TOP TEN HOLDINGS as at 29.02.2024

Holding	Percentage
iShares US Equity Index (UK) D Acc	12.28%
L&G US Index Trust C Inc	12.19%
L&G European Index Trust C Inc	8.87%
L&G UK Index Trust C Inc	8.72%
M&G Emerging Markets Bond PP Inc	6.99%
Rathbone Ethical Bond I Inc	5.51%
Premier Miton European Opportunities B Acc	4.58%
FP Mattioli Woods Property Securities M Inc	3.83%
Amati UK Smaller Companies B Acc	3.74%
UBS (Irl) Fund Solutions plc - MSCI AC Asia ex Japan SF UCITS ETF (USD) A Acc	3.27%

FUND CHARGES

	B	C	E
Ongoing charges figure (% p.a.)	1.19%	0.94%	2.04%
Annual management charge (% p.a.)	0.40%	0.15%	1.25%
Initial fee	0.00%	0.00%	0.00%

The methodology for calculating the synthetic expense ratio has changed. Following guidance issued by the Investment Association on 2 July 2020, the synthetic OCF calculation has been expanded to include closed-ended vehicles such as investment trusts.

FUND CODES

	ISIN	SEDOL
B Inc	GB00BZCN8K76	BZCN8K7
C Inc	GB00BZCN8L83	BZCN8L8
E Inc	GB00BZCN8N08	BZCN8N0

FUND AIM

The Fund aims to achieve long-term capital growth over an investment term in excess of five years by the active management of a global multi-asset portfolio.

INVESTMENT PHILOSOPHY

This Fund uses a global multi-asset approach to deliver its aim of generating long-term capital growth. The managers will achieve this aim by utilising passive and actively managed solutions, while closely managing volatility. The asset allocation of the Fund will be managed in line with guidance provided by the Mattioli Woods Asset Allocation Committee, ensuring diversity of assets.

FUND DETAILS

Fund management:	Mattioli Woods plc
Fund size:	£563.22 million
No. of holdings:	24
Sector:	IA Flexible Investment
Benchmark:	IA Flexible Investment
Distribution policy:	Half-yearly
Payment dates:	March and September
XD date:	February and August
Launch date:	31 July 2017
Legal structure:	Non-UCITS Retail Scheme
Reporting date (annual):	31 July
Reporting date (interim):	31 January
Base currency:	Sterling
Valuation point:	12:00 midday daily
ISA eligible:	Yes

RISK WARNINGS

- Past performance is not a guide to future returns.
- The value of investments and the income from them can fall as well as rise, and you may not get back the amount invested.
- For funds investing globally, currency exchange rate fluctuations may have a positive or negative impact on the value of your investments.
- Changes in interest rates will affect the value of, and the interest earned from, bonds held by the Fund. When interest rates rise, the capital value of the Fund is likely to fall and vice versa.
- Investment trusts can borrow money that can then be used to make further investments. In a rising market, this ‘gearing’ can enhance returns to shareholders. However, if the market falls, losses will be multiplied.
- The Fund does not use derivatives extensively, although it may use them in an attempt to reduce risk, reduce costs and to generate additional income. Investing in derivatives carries the risk of reduced liquidity, substantial loss and increased volatility in adverse market conditions. Derivatives may expose the Fund to credit risks of counterparties, who may not meet payment obligations. The use of derivatives may result in the Fund being leveraged (where economic exposure and thus the potential for loss by the Fund exceeds the amount it has invested), and in these market conditions the effect of leverage will magnify losses.
- This document is issued by Mattioli Woods plc and should be read in conjunction with the Fund’s Supplementary Information Document. A list of risk factors is detailed in the Supplementary Information Document, and an investment should not be contemplated until the risks are considered fully. Current tax levels and relief are liable to change, and their value will depend on an individual investor’s circumstances. If you are unsure about any information contained within this document, you should take financial advice.

Source: FE Fundinfo

MORE INFORMATION

If you have any issues with this document, please contact Mattioli Woods plc.