31 MARCH 2024

FP MATTIOLI WOODS UK DYNAMIC FUND

MATTIOLI WOODS FUNDS

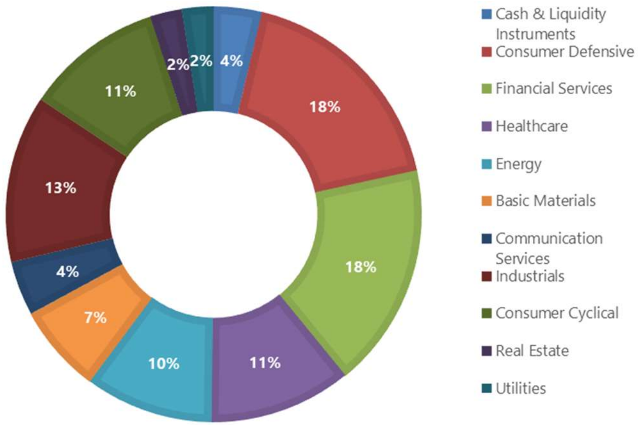
FUND AIM

The Fund aims to achieve capital growth (the increase in value of investments) and income (money paid out through the payment of dividends) by the active management of a portfolio of UK shares over an investment term in excess of five years.

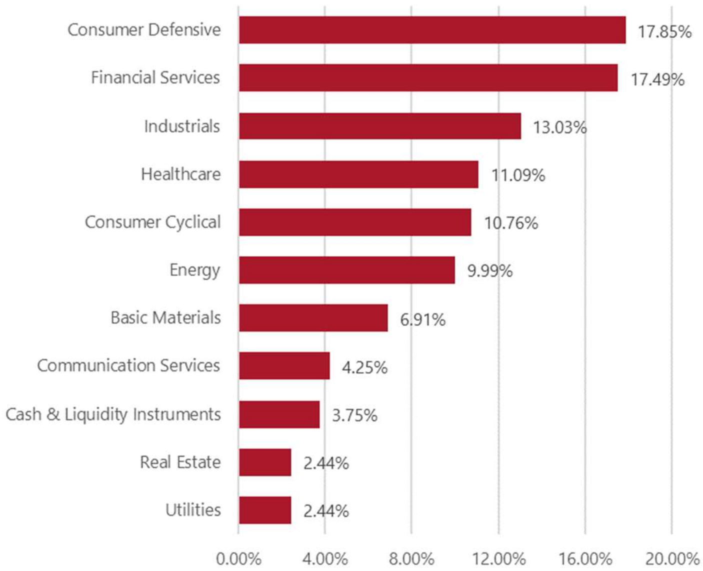
INVESTMENT PHILOSOPHY

The Fund aims to achieve its objective by investing directly in UK shares. At least 90% of these will be UK-listed shares in companies with market capitalisations in excess of £500 million. The remaining 10% can be invested in UK-listed smaller companies, which have market capitalisations below £500 million but which the Investment Manager believes will grow to in excess of £500 million in the future. The Investment Manager expects that the Fund will invest in 30 to 45 individual equities, across a range of different sectors.

ASSET ALLOCATION



FUND COMPOSITION



TOP TEN HOLDINGS as at 31.03.2024

Holding	Percentage
GlaxoSmithKline plc	4.90%
Shell plc	4.41%
AstraZeneca plc	3.71%
BP plc	3.64%
Unilever plc	3.58%
Aviva plc	3.45%
Breedon Group Ord Shs	3.23%
Barclays plc	3.14%
QinetiQ Group plc	3.13%
TP ICAP Group plc	2.76%

FUND DETAILS

Fund managers:	Jonathon Marchant
Fund size:	£40.26 million
No. of holdings:	38
Sector:	IA UK All Companies
Benchmark:	MSCI United Kingdom All Cap Index
Distribution policy:	Half-yearly
Payment dates:	March and September
XD date:	February and August
Launch date:	September 2023
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
Ongoing charges figure (% p.a.)	
B Income	0.60%
Annual management charge (% p.a.)	
B Income	0.60%
Initial fee	0.00%
ISIN	
B Income	GB00BMF9P118
SEDOL	
B Income	BMF9P11

FUND PERFORMANCE/CUMULATIVE PERFORMANCE/ANNUAL PERFORMANCE as at 31.03.2024

Past performance data will not be published until the Fund has been running for a full 12 months

FUND MANAGER COMMENTARY

MARKET REVIEW

It was a strong month for UK equities, outperforming the broader global equity index. The inflation and interest rate narrative continues to dominate the directionality of the UK market, as is the case with most markets around the world. Towards the end of the month, the Bank of England (BoE) decided to hold rates steady at 5.25% for a fifth consecutive meeting. The breakdown of the votes signalled to the market that rate increases seem unlikely at this point and cuts could be coming soon. The confidence of the central bank is helped by improved data, with inflation reportedly decelerating to 3.4%. This marks the lowest rate for two years. At this point in the cycle, slowing inflation can often be indicative of an economic slowdown. Pleasingly, data from the servicing and manufacturing sectors suggested that output has been expanding. Equally, the release of January's GDP number showed 0.2% growth, which brings the UK out of the technical recession entered towards the end of 2023.

FUND REVIEW

The Fund delivered performance of +5.15% over the month, marginally ahead of the benchmark (+4.71%). The majority of the top performing stocks were consumer orientated. Better economic data, combined with improvements in the operating environment for some of the individual businesses helped to boost sentiment towards the sector. Coats is a market leader in the thread manufacturing space, a market that has suffered significant volume declines due to destocking in the apparel and footwear markets. The business managed to increase margins and grow market share during a particularly difficult period and we remain optimistic about the business's prospects. Having issued a profit warning in January, JD Sports shares had underperformed significantly. Investors had become worried that the negative outlook may persist for some time. The trading update issued at the end of the month provided guidance that was in line with analyst expectations. Having fallen to depressed levels, shares rallied strongly on the news. Other consumer-facing names, such as Associated British Foods (owner of Primark) and Marks & Spencer also enjoyed a strong month. The best performing name during the month was TP ICAP, a company that facilitates the trading of financial assets. As a market leader in a number of areas, the business owns a rich data set that it is now monetising. It is considering listing this data business separately at a value that is not dissimilar to the entire market capitalisation of TP ICAP. The news was well received by the market and highlights the embedded value in the business. The main detractor from the Fund was Reckitt Benckiser, the owner of brands like Nurofen, Dettol and Strepsils. The business has been subject to litigation in relation to its baby formula business. The news has created a significant amount of uncertainty and there are a number of other examples of businesses that have endured expensive and lengthy US legal proceedings in similar circumstances. Having considered the facts available to us, we have decided to retain our position.

ACTIVITY

Towards the end of the month, we reduced our exposure to Johnson Matthey and spread the proceeds among a number of smaller holdings, such as Travis Perkins and Marks & Spencer. These are more consumer orientated and our conviction in this space has been increased due to improved economic data and prospects of interest rate cuts. We also continued to add to our position in Weir during the month.

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.