31 OCTOBER 2021

MATTIOLI WOODS FUNDS

FP MATTIOLI WOODS RESPONSIBLE EQUITY FUND

FUND MANAGER COMMENTARY

MARKET REVIEW

Following a lacklustre September, global stock markets regained momentum throughout October with many equity indices achieving fresh highs during the course of the month. US stocks in particular were supported by a strong start to the third-quarter earnings season, with more than 80% of companies overshooting earnings expectations. UK equities benefited from a strong start to earnings season too as internationally focused sectors led the market higher, including financials, with banks performing especially well. The soaring oil price continued to make headlines, with supply concerns exacerbating as the winter approaches. The current furore around fossil fuels can serve as a reminder of the advantages renewable energy technologies bring, including their relatively greater predictability and deflationary cost trend over the long term. Overall, we believe the outlook remains broadly pro-risk but with greater uncertainty on the horizon as central bank policy starts to deviate around the world.

FUND INTRODUCTION

We aim to generate attractive long-term returns, while ensuring that the companies we own are behaving in the interests of their communities and wider society. The Responsible Equity Fund invests with the added intent of providing considerable protection from environmental, social and governance risks (ESG), as well as the chance to participate in the opportunities the shift to a more sustainable economy presents.

The United Nations Sustainable Development Goals (UN SDGs) provide us with a framework to analyse the opportunity set. The SDG framework was developed to aid the achievement of the 2030 Agenda for Sustainable Development, a set of targets adopted by all UN members in 2015. Each holding within the Fund needs to be working towards the achievement of at least one SDG.

While we target investment growth, we also have a strong valuation discipline – our mantra is value and values. The Fund offers exposure to a blend of direct equities and funds, our best thematic and geographic ideas as well as a blend of growth and value investing.

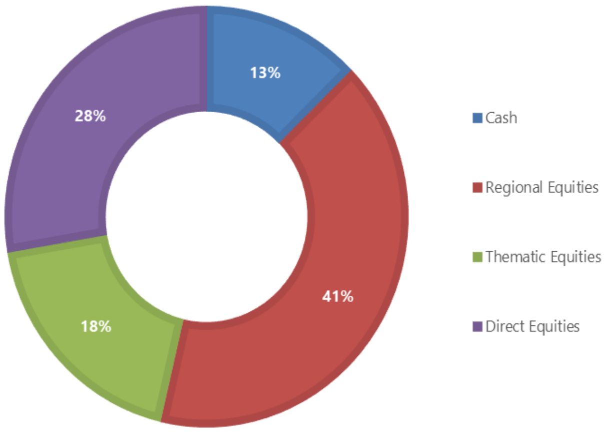
ACTIVITY

The Fund was launched on 22 September and has reached over £2 million, with reasonable flows continuing after month end. We have invested broadly in line with our model portfolio, which is 70% in international and thematic funds and 30% in direct UK equities. All the funds and equities align with at least one of the UN SDGs as we are looking for companies that offer attractive 'value' and 'values'. We have invested in some interesting funds, ranging from a Japanese fund that specialises in engaging with companies on how to improve their ESG credentials (NB Japan Engagement Fund) to a commodities fund (Baker Steel Electrum) where well over half the assets are invested in metals which are crucial to the energy transition away from carbon. Additionally, we have invested in some exciting equity opportunities in the UK such as BT, Smith and Nephew, and AstraZeneca. We are excited by the opportunities ahead.

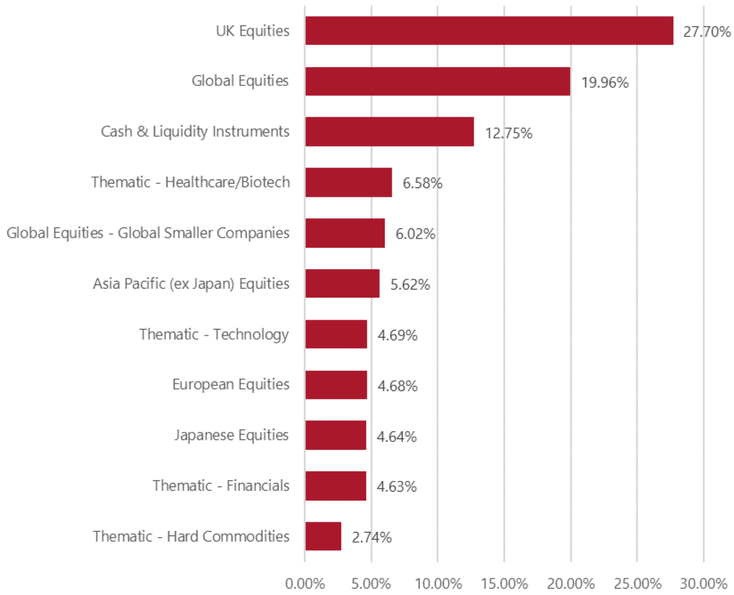
ENGAGEMENT

We have met with management at Galliford Try during the month. This is a UK construction business that appears to be ahead of its peers in terms of ESG. It is a member of the FTSE4Good Index and always places ESG high up the agenda. They build schools and are involved in water infrastructure so are well aligned with the UN SDGs and have made good progress in reducing their carbon footprint. One of their initiatives is to move their car fleet to fully electric as part of their wider commitment to reaching zero carbon by 2030.

ASSET ALLOCATION



FUND COMPOSITION



FUND PERFORMANCE

Past performance data will not be published until the Fund has been running for a full 12-month period.

CUMULATIVE PERFORMANCE

Past performance data will not be published until the Fund has been running for a full 12-month period.

ANNUAL PERFORMANCE

Past performance data will not be published until the Fund has been running for a full 12-month period.

TOP TEN HOLDINGS as at 31.10.2021

Holding	Percentage
Polar Capital Healthcare Opportunities I Inc	6.58%
BMO SDG Engagement R Inc	6.02%
Stewart Investors Asia Pacific Sustainability B Acc	5.62%
Impax Global Equity Opportunity X Acc	5.05%
Janus Henderson Global Sustainable Equity I Inc	5.04%
Regnan Global Impact Solutions A Acc	5.00%
Schroder Global Sustainable Value	4.88%
Janus Henderson Sustainable Future Technologies G Acc	4.69%
Liontrust SF European Growth 2 Acc	4.68%
NB Japan Equity Engagement	4.64%

TOP TEN UK DIRECT EQUITY HOLDINGS as at 31.10.2021

Holding	Percentage
Reckitt Benckiser Group plc	1.43%
Lloyds Banking Group plc	1.39%
DWF Group plc	1.36%
Unilever plc	1.34%
Smith & Nephew plc	1.32%
BT Group plc	1.30%
Tate & Lyle plc	1.25%
Synthomer plc	0.95%
Galliford Try Holdings plc	0.95%
GlaxoSmithKline plc	0.94%

FUND AIM

The Mattioli Woods Responsible Equity Fund aims to generate a combination of capital growth (the increase in value of investments) and income (money paid out by an investment such as a dividend from a share of fund) over the longer term by investing in equities deemed as 'responsible'.

INVESTMENT PHILOSOPHY

The Fund uses a global, multi-sector approach, investing in a combination of direct equities in the UK, as well as geographic and thematic equity funds to generate long-term capital growth and income. The Fund defines responsible investing as aiming to generate attractive long-term returns, while ensuring that the companies owned are behaving in the interests of their communities and wider society.

FUND DETAILS

Fund managers:	Christopher White, Jonathon Marchant and Lauren Wilson
Fund size:	£2.25 million
No. of holdings:	41
Sector:	IA Global
Benchmark:	IA Global
Distribution policy:	Half-yearly
Payment dates:	March and September
XD date:	February and August
Launch date:	22 September 2021
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	1.04%
M Income	0.77%
Annual management charge (% p.a.)	
B Income	0.40%
M Income	0.10%
Initial fee	0.00%
ISIN	
B Income	GB00BMCH5X09
M Income	GB00BMCH5Y16
SEDOL	
B Income	BMCH5X0
M Income	BMCH5Y1

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 Simplified Prospectus. A list of risk factors is detailed in the Simplified Prospectus, 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 individual investors' circumstances. If you are unsure about any information contained within this document, you should take financial advice.**

Sources: FE Fundinfo and Refinitiv Datastream