30 APRIL 2022

FP MATTIOLI WOODS GROWTH

MATTIOLI WOODS FUNDS

FUND MANAGER COMMENTARY

MARKET REVIEW

A particularly poor month for global equity markets as they faced the prospect of monetary tightening via higher interest rates to combat rampant inflation, just as economic momentum begins to slow. In previous months we have discussed the unenviable challenge facing major central banks as they withdraw the extraordinary economic support packages of the pandemic. Engineering the fabled 'soft-landing', where interest rate rises suppress inflation without creating a recession, certainly requires a deft touch and clear messaging from central bankers. This month, equity markets took the view this task may prove rather difficult. Bond markets proved similarly negative as interest rate rises were priced into bond yields – this impacted both government and corporate bonds, with the latter further affected by overall 'risk-off' sentiment. A move higher in corporate bonds spreads, essentially the premium over a government bond to compensate for the increased risk of lending to a company, was a further indication of tighter financial conditions. Allied to this is the continuing supply-chain impact from China's zero-Covid policy and some uninspiring results from the large technology companies that have propelled equity market returns in recent years. The war in Ukraine continues to drive energy and agricultural prices higher and with Russia seemingly refocusing their efforts on the south-eastern region of Ukraine, the likelihood of a resolution appears sadly distant. Inflationary pressures appear embedded and employment markets remain hot. That said, as consumers become more discerning in response to higher prices, central banks will be hoping demand cools sufficiently to offset some of those price pressures.

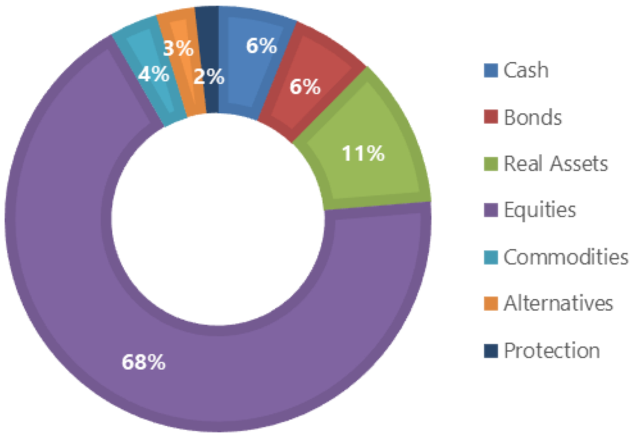
FUND REVIEW

The Fund delivered a negative return for the month, as we would expect for a period during which global equity markets fell significantly. There were few bright spots over the month with the only notable positive contributions coming from our exposure to gold and our holding in the Lazard Rathmore Alternative Fund. As both an inflation hedge and a risk-off asset, 2022 has proved supportive so far for gold. The Lazard Rathmore Alternative Fund is held to provide a diversified source of return in uncertain markets and has proved its worth, delivering positively since introduction. Looking through financial markets, commodities were the only real standout, and this did translate into better relative performance for the UK equity market, which comprises several large energy and mining companies. Additionally, we received positive contribution from our infrastructure holdings, another sector that can provide some inflation proofing.

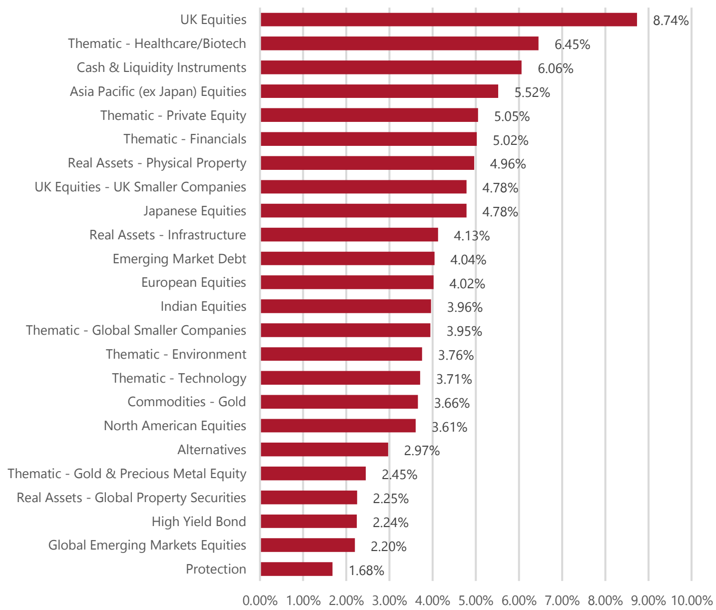
ACTIVITY

There were no asset allocation changes made during the month and activity was solely focused on investment of inflows. We topped up our holding in the passively-managed iShares Core FTSE 100 ETF, which provides exposure to the large energy and mining constituents of the UK market, those we believe should continue to profit from the current inflationary environment over the near term. In the real assets space, we topped up our holdings in both the PGIM Global Select Real Estate Fund and the Mattioli Woods Property Securities Fund – again, adding an element of inflation protection. Looking further ahead, as long-term investors, we took advantage of pricing opportunities to top-up existing positions in holdings such as the HarbourVest Global Private Equity investment trust and the TB Amati UK Smaller Companies Fund.

ASSET ALLOCATION



FUND COMPOSITION



FUND PERFORMANCE

30/04/2019 - 29/04/2022 Data from FE fundinfo2022

CUMULATIVE PERFORMANCE as at 30.04.2022

	1 month	3 months	6 months	1 year	3 years
Fund	-2.33	0.25	-5.63	-2.18	19.47
Benchmark	-1.97	-0.81	-4.18	-0.43	18.61

Performance Data: Share Class B Inc

ANNUAL PERFORMANCE

	2021	2020	2019	2018	2017
Fund	10.30	9.94	16.05	-6.15	
Benchmark	11.30	6.70	15.66	-6.72	11.21

Performance Data: Share Class B Inc

RISK METRICS as at 30.04.2022

	3 years
Annual volatility	12.68
Maximum drawdown	-16.80
Sharpe ratio	0.21

Metrics annualised over three years for Share Class B Inc

TOP TEN HOLDINGS as at 30.04.2022

Holding	Percentage
Polar Capital Healthcare Opportunities I Inc	5.59%
Polar Capital Global Insurance I Inc GBP	5.02%
Premier Miton European Opportunities B Acc	4.02%
Goldman Sachs India Equity Portfolio I Inc	3.96%
Amati UK Smaller Companies B Acc	3.84%
iShares Physical Gold ETC GBP	3.66%
JOHCM UK Dynamic Y Inc	3.26%
FP Mattioli Woods Property Securities M Inc	3.03%
Lazard Rathmore Alternative S Dist GBP	2.97%
Baillie Gifford Japanese B Inc	2.76%

FUND CHARGES

	B	C	D	E
Ongoing charges figure (% p.a.)	1.29%*	1.02%	1.77%	2.12%
Annual management charge (% p.a.)	0.40%	0.15%	0.90%	1.25%
Initial fee	0.00%	0.00%	0.00%	0.00%

The methodology for calculation of 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.

*With effect from 1 September 2021, the AMC fees for Share Class B reduced from 0.65% to 0.40%. The operating charge disclosed above is based on actual amounts incurred in the period, the future cost of investing in the Fund is expected to be 1.27%.

FUND CODES

	ISIN	SEDOL
B Inc	GB00BZCN8K76	BZCN8K7
C Inc	GB00BZCN8L83	BZCN8L8
D Inc	GB00BZCN8M90	BZCN8M9
E Inc	GB00BZCN8N08	BZCN8N0

FUND AIM

The Fund aims to achieve long-term capital growth 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 managers:	Ian Goodchild, Jonathon Marchant and Mark Moore
Fund size:	£550.95 million
No. of holdings:	45
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 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.**

Source: FE Fundinfo