

FP MATTIOLI WOODS PASSIVE ADVENTUROUS

FUND MANAGER COMMENTARY

MARKET REVIEW

After falling significantly through the first half of the month, equity prices did stabilise through the second half – however, this was not sufficient to recover those earlier falls, resulting in a notable drawdown for the month. Much of the sell-off was attributable to continued inflationary concern following an above-forecast US inflation print that led to a 0.75% interest rate rise by the US Federal Reserve – in contrast to the 0.50% financial markets had priced in. With major central banks looking to aggressively raise rates into what is likely to prove a challenging economic environment, particularly for the under-pressure consumer, financial markets are now pricing-in an increased possibility of recession. This was visible in commodities markets, a traditionally cyclical indicator of economic conditions, which sold-off this month following outperformance in the sector year-to-date. Copper is often viewed as a leading indicator of economic conditions, due to its use across multiple industries, so a double-digit sell-off in June seemingly reflects a view that global demand is likely to fall notably as conditions worsen. One trend seen persistently this year is a weakening of sterling – not ideal for a country heavily dependent on import activity but beneficial for unhedged sterling investors who have suffered nowhere near the same level of drawdown that a US dollar-based equity investor has experienced. This trend was amplified in June, sterling once again weakening against the greenback due to a poorly received rate rise of only 0.25% from the Bank of England. Though we might not be facing the same level of equity market falls on a currency basis we are certainly feeling weaker sterling at the fuel pumps.

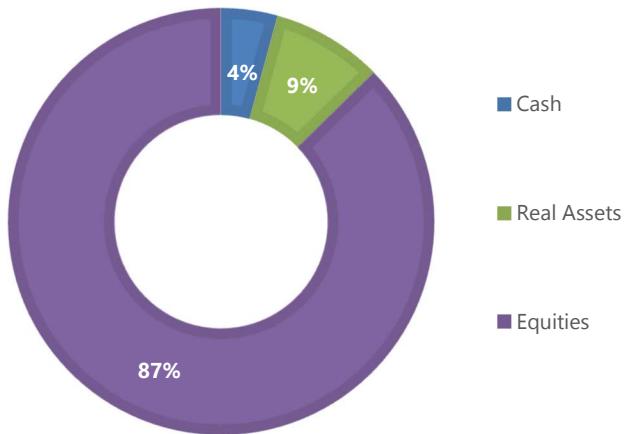
FUND REVIEW

The Fund delivered a negative return over June but did provide slight cushion against the fall seen in the benchmark that represents the average return of our peer group. An underweight to US equity will have proved beneficial this month as that market struggled against inflation and rising rates. We have discussed stretched valuations in the US equity market at length and even viewed in the context of a correction year-to-date it is difficult to believe optimistic earnings forecasts for the next 12 months can be achieved. Asian and global emerging market equity returns were broadly flat but elsewhere there was little to cheer as risk assets slipped.

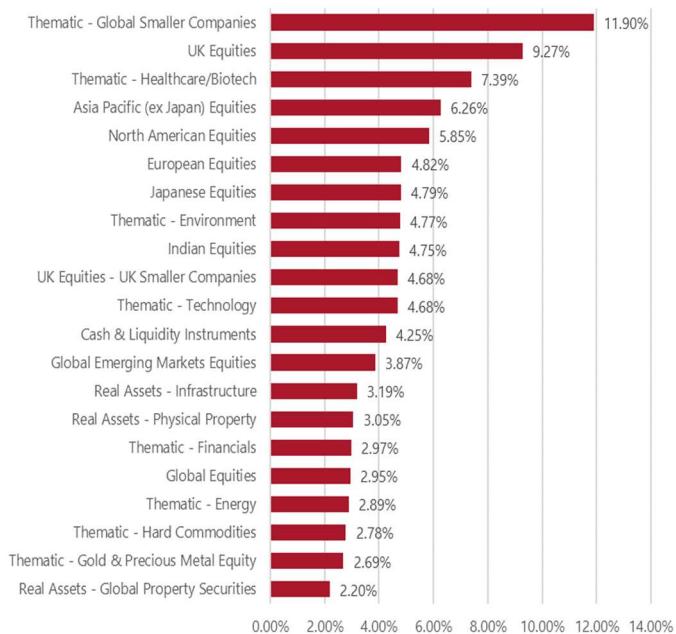
ACTIVITY

There were no asset allocation changes this month. We continue to invest inflows in line with the Mattioli Woods' Adventurous asset allocation model. We introduced a new holding this month, the SPDR S&P US Dividend Aristocrats ETF. This exchange traded fund (ETF) tracks an index comprising US listed companies that have increased dividends every year for at least 20 consecutive years. The introduction of this holding was the outcome of work undertaken to diversify our equity exposure. With a focus on companies consistently generating a level of free cash flow that enables them to pay out a dependable source of income, we believe this ETF should provide an excellent complement to some of our more growth-skewed equity holdings through a challenging economic period.

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 as at 30.06.2022

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.

RISK METRICS as at 30.06.2022

Risk metrics will not be published until the Fund has been running for a full 12-month period.

Metrics annualised over three years for Share Class B Inc

TOP TEN HOLDINGS as at 30.06.2022

Holding	Percentage
L&G UK Index Trust C Inc	9.27%
iShares MSCI World Small Cap UCITS ETF GBP	8.52%
L&G Global Health & Pharmaceuticals Index Trust C Inc	7.39%
UBS (Irl) Fund Solutions plc - MSCI AC Asia ex Japan SF UCITS ETF (USD) A Acc	6.26%
L&G European Index Trust C Inc	4.82%
L&G Japan Equity UCITS ETF	4.79%
Rize Environmental Impact 100 UCITS ETF USD ACC	4.77%
Franklin FTSE India UCITS ETF GBP	4.75%
Vanguard FTSE 250 UCITS ETF Inc GBP	4.68%
L&G Global Technology Index Trust C Inc	4.68%

FUND CHARGES

	B	C
Ongoing charges figure (% p.a.)	0.62%	0.37%
Annual management charge (% p.a.)	0.40%	0.15%
Initial fee	0.00%	0.00%

FUND CODES

	ISIN	SEDOL
B Inc	GB00BPSJ8N29	BPSJ8N2
C Inc	GB00BPSJ8P43	BPSJ8P4

FUND AIM

The Fund aims to achieve capital growth (the increase in value of investments) by the management of a global multi-asset portfolio over an investment term in excess of five years.

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 solutions, typically index trackers, 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, Lauren Wilson and Mark Moore
Fund size:	£0.338 million
No. of holdings:	22
Sector:	IA Flexible Investment
Benchmark:	IA Global
Distribution policy:	Half-yearly
Payment dates:	March and September
XD date:	February and August
Launch date:	21 March 2022
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.
- 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