31 DECEMBER 2022

MATTIOLI WOODS FUNDS

FP MATTIOLI WOODS PASSIVE ADVENTUROUS

FUND MANAGER COMMENTARY

MARKET REVIEW

The traditional 'Santa rally', which typically sees equities make gains in the weeks leading up to Christmas Day, failed to fully materialise in 2022. This capped a torrid year for financial markets, as asset prices underwent a marked correction in response to central bank monetary tightening and global slowdown fears. 2022 was a year to forget for investors; many equity markets suffered their worst falls since 2008, while some bond markets underwent a double-digit correction. At the outset of the year, few expected inflation to reach 40-year highs, with central bankers convinced rising inflation would prove transitory. As consumer prices continued to climb, central banks took interest rates to levels not seen since the global financial crisis – hampering the growth outlook and sending bond yields markedly higher. This global wave of interest rate hikes, allied with the impact of Russia's invasion of Ukraine and China's zero-Covid policy, negatively impacted asset pricing. There were few positives, with some sectors, particularly those pricing in as yet unachieved future growth (rather than profit now), such as technology, suffering most. Commodities, notably energy, were a rare bright spot and those regional markets, including the UK large company segment, with significant exposures to these sectors, fared better. Looking ahead, there are flickers of optimism, with peak interest rates expected to occur as 2023 progresses. That said, corporate earnings will come under pressure in a slowdown, so remaining selective in equity positioning remains key. With bond yields significantly higher after the sell-off, opportunities are more prevalent here but again it is important to understand the capability (and willingness) of borrowers to repay. Here's to an improved 2023 for financial markets.

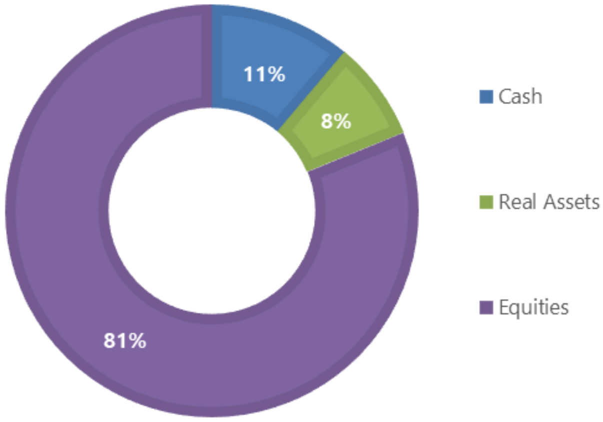
FUND REVIEW

While the Fund did generate a negative return for the month, to a large extent it mitigated the level of fall seen from the benchmark. Much of this came from our longstanding underweight to US equity, relative to the region's high weighting in global equity markets. While most equity markets did generate negative returns in December, the US equity market was one of the worst performing by some margin. Asia, led by continued recovery in its largest economy China, and certain European equities fared better – though in most cases it was a case of falling to a lesser extent, rather than delivering a positive return. There were a few bright spots; our physical gold position delivered positively and this pricing boost helped generate a positive return for our holding in gold mining equity. Overall, a somewhat disappointing month in absolute terms; however, relative outperformance of the benchmark this month is pleasing to see and sets the Fund in good stead for longer-term outperformance.

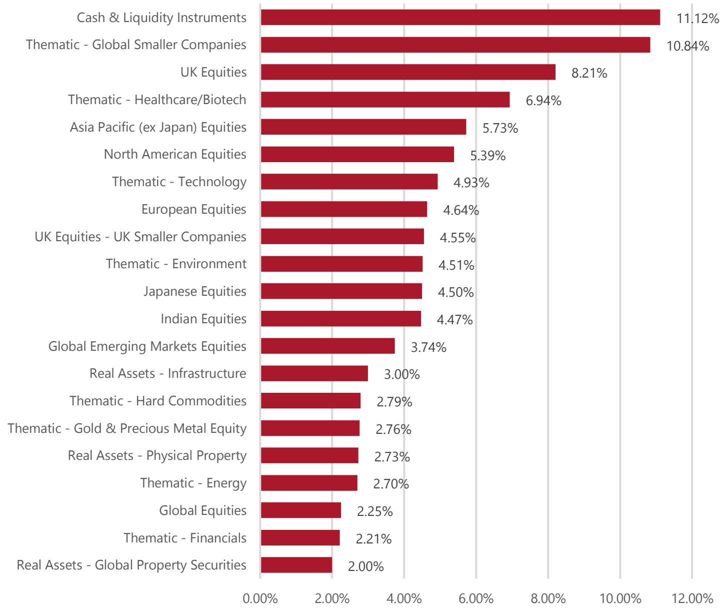
ACTIVITY

There were no asset allocation changes made this month and activity was focused solely on the investment of inflows.

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 31.12.2022

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 31.12.2022

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

TOP TEN HOLDINGS as at 31.12.2022

Holding	Percentage
L&G UK Index Trust C Inc	8.21%
iShares MSCI World Small Cap UCITS ETF GBP	7.87%
L&G Global Health & Pharmaceuticals Index Trust C Inc	6.94%
UBS (Irl) Fund Solutions plc - MSCI AC Asia ex Japan SF UCITS ETF (USD) A Acc	5.73%
L&G Global Technology Index Trust C Inc	4.93%
L&G European Index Trust C Inc	4.64%
Vanguard FTSE 250 UCITS ETF Inc GBP	4.55%
Rize Environmental Impact 100 UCITS ETF USD ACC	4.51%
L&G Japan Equity UCITS ETF	4.50%
Franklin FTSE India UCITS ETF GBP	4.47%

FUND CHARGES

	B	C
Ongoing charges figure (% p.a.)	0.59%	0.34%
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:	£0.940 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