

FUND MANAGER COMMENTARY

MARKET REVIEW

After a particularly strong end to 2023, global markets pulled back in early January as investors started to reassess how soon interest rates will be cut across developed markets. Bond yields rose across the board (meaning prices fell) as the likelihood of interest rate cuts as soon as March were pushed out until later in the year. Sentiment picked up towards the end of the month following better than expected growth data and signals from the US and European central banks that rates have peaked, bolstering hopes for cuts later in the year. As January ended, technology stocks continued to lead the US S&P 500 index to consecutive record highs. European equities also made gains on a flurry of encouraging corporate results, while a weaker yen supported Japanese equities. Despite a mid-month bounce, Asia Pacific (ex-Japan) equities remain the laggard as market participants retain a degree of scepticism around the potential efficacy of China's recently announced additional stimulus measures.

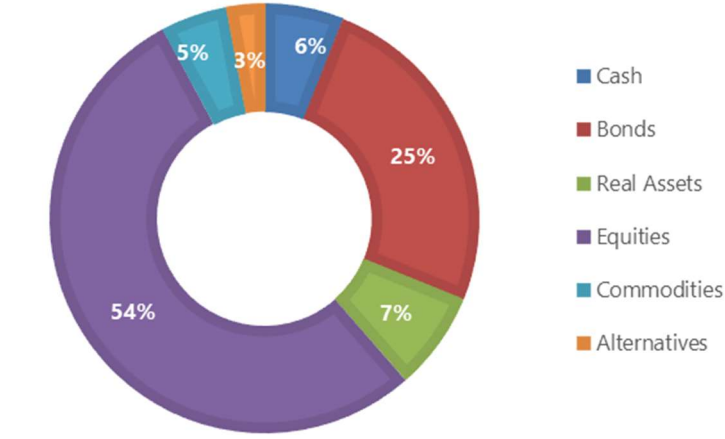
FUND REVIEW

Following a strong finish to 2023, the Fund delivered a negative return over January, marginally lagging its benchmark, which represents the average of our peer group. While it has buoyed the portfolio several times over recent months, the position in physical gold was a detractor over January with the gold price falling back after breaching record highs at the end of 2023. US economic strength sharply surprised to the upside, dashing hopes of early monetary policy cuts causing US government bond yields to rise and the dollar to strengthen, both headwinds for the gold price. Although we reduced our exposure to UK commercial property and UK infrastructure assets as prices rose in the final months of 2023, the small exposure remaining to these assets was a detractor over the month as we saw a partial reversal in the positive performance experienced at the end of 2023. The main contributors to performance were positions in developed market equities, namely those listed in Japan and the recently increased US exposure. January was a challenging month and while we believe that the weeks/months of short-term corrections and rallies are likely to continue until we see more clarity around the monetary policy outlook overall however, we do believe that the net impact of developments in macroeconomics, policy, and politics in 2024 should be supportive for both bond and equity markets.

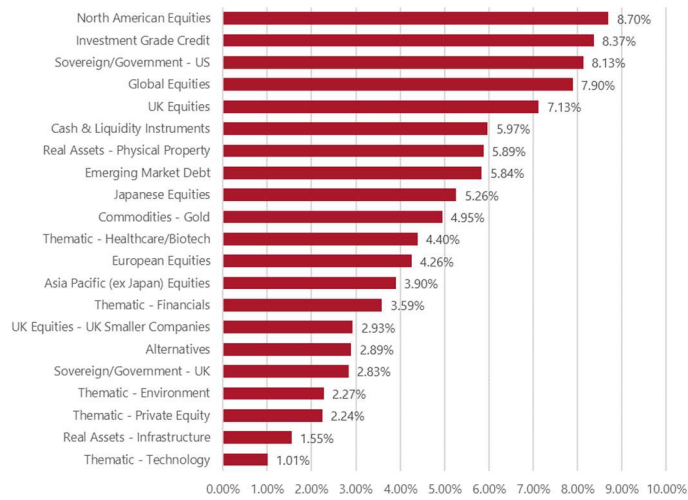
ACTIVITY

We made some significant changes to the portfolio over the month, following a review of our strategic asset allocation. Over the past few months, we have become more positive on US equities, believing that the artificial intelligence (AI) driven rally in US mega cap tech stocks that buoyed the market in 2023 can broaden out as inflation cools and monetary policy becomes more supportive. As such, we have reduced exposure to some of our thematic ideas in favour of a broad US equity allocation. In addition, we have increased our position in European equities and continue to tilt equity exposure towards large cap, high quality companies. In our view, until a new significant macro catalyst emerges, developed market stocks, particularly large cap quality companies with defensive characteristics, are more likely to outperform or at least better manage to weather the volatility associated with rapid markets gyrations. We have funded this by reducing exposure to thematic equities and real assets (such as property and infrastructure). The cash levels are slightly higher than normal due to trades in progress over month end.

ASSET ALLOCATION

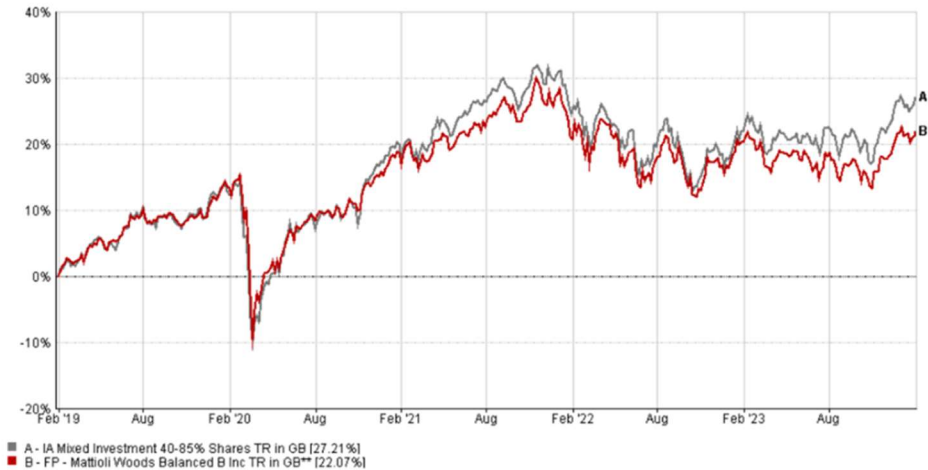


FUND COMPOSITION



Due to rounding, figures above may not equal 100%

FUND PERFORMANCE



Data quoted on this fact sheet relates to the B Inc Share Class, but please note that information prior to 31 July 2017 is based on the B Acc Share Class.  
Source: Financial Express, bid-to-bid, net income reinvested, sterling terms. Performance is quoted net of fees.

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CUMULATIVE PERFORMANCE as at 31.01.2024

	1 month	3 months	6 months	1 year	3 years	5 years
Fund	-0.34	7.47	2.95	1.62	4.23	22.07
Benchmark	-0.07	8.45	3.69	4.41	8.09	27.21

Performance data: Share Class B Inc

ANNUAL PERFORMANCE

	2023	2022	2021	2020	2019
Fund	4.95	-8.80	9.52	4.39	14.62
Benchmark	8.08	-10.04	10.94	5.32	15.78

Performance data: Share Class B Inc

RISK METRICS as at 31.01.2024

	3 years
Annual volatility	7.67
Maximum drawdown	-11.63
Sharpe ratio	0.00

Metrics annualised over three years for Share Class B Inc

TOP TEN HOLDINGS as at 31.01.2024

Holding	Percentage
JPM Betabuilders US Treasury Bond UCITS ETF - GBP Hedged	8.13%
Royal London Sterling Credit Z Inc	6.21%
M&G Emerging Markets Bond PP Inc	5.84%
iShares Physical Gold ETC GBP	4.95%
BNY Mellon Global Income Inst U Inc	4.43%
Polar Capital Healthcare Opportunities I Inc	4.40%
ISHARES US EQUITY INDEX (UK) D ACC	4.38%
L&G US Index Trust C Inc	4.32%
FP Mattioli Woods Property Securities M Inc	4.03%
Polar Capital Global Insurance I Inc GBP	3.59%

FUND CHARGES

	B	C	D	E
Ongoing charges figure (% p.a.)	1.10%	0.85%	1.60%	1.95%
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 calculating the 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.

FUND CODES

	ISIN	SEDOL
B Inc	GB00BF475Y04	BF475Y0
C Acc	GB00B5ZMXX91	B5ZMXX9
C Inc	GB00BF475Z11	BF475Z1
D Inc	GB00BZCN8H48	BZCN8H4
E Inc	GB00BZCN8J61	BZCN8J6

FUND AIM

The investment objective of the Fund is to preserve capital and generate income and capital growth over the long 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 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 management:	Mattioli Woods plc
Fund size:	£890.03 million
No. of holdings:	37
Sector:	IA Mixed Investments 40-85% Shares
Benchmark:	IA Mixed Investments 40-85% Shares
Distribution policy:	Half-yearly
Payment dates:	March and September
XD date:	February and August
Launch date:	3 March 2009
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 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.