

FP MATTIOLI WOODS
PASSIVE GROWTH

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.

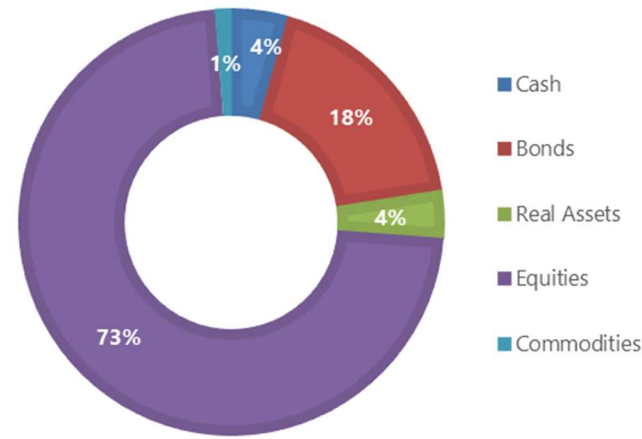
FUND REVIEW

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. Asia Pacific (ex) Japan equities detracted from performance over the month amid ongoing concerns about weaker economic growth in China. While we continue to eschew a direct Chinese equity position, we believe a measured exposure to Asia Pacific and emerging market equities is appropriate for a growth-orientated investor given their higher growth potential; we also note that valuations and technical factors are more attractive than their respective developed market peers. Our continued preference for developed market equity within the portfolio was rewarded this month as European, Japanese and the recently increased US exposure drove returns.

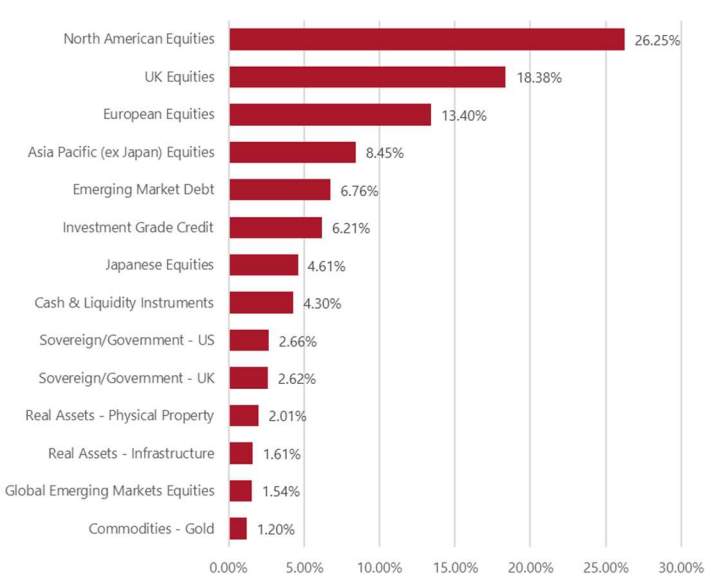
ACTIVITY

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.

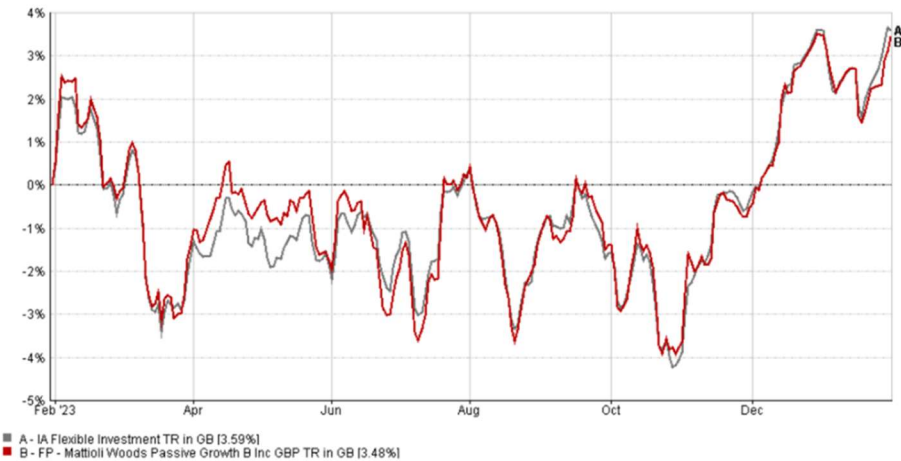
ASSET ALLOCATION



FUND COMPOSITION



FUND PERFORMANCE



31/01/2023 - 31/01/2024 Data from FEfundinfo2024

CUMULATIVE PERFORMANCE as at 31.01.2024

	1 month	3 months	6 months	1 year	3 years
Fund	-0.04	7.52	3.30	3.48	
Benchmark	-0.01	7.98	3.33	3.59	8.57

Performance data: Share Class B Inc

ANNUAL PERFORMANCE

	2023	2022	2021	2020	2019
Fund	6.71				
Benchmark	7.08	-8.98	11.30	6.70	15.66

RISK METRICS as at 31.01.2024

	1 year
Annual volatility	6.77
Maximum drawdown	-3.92
Sharpe ratio	0.00

Metrics annualised over three years for Share Class B Inc

TOP TEN HOLDINGS as at 31.01.2024

Holding	Percentage
L&G US Index Trust C Inc	18.79%
L&G UK Index Trust C Inc	18.38%
L&G European Index Trust C Inc	13.40%
UBS (Irl) Fund Solutions plc - MSCI AC Asia ex Japan SF UCITS ETF (USD) A Acc	8.45%
iShares Corporate Bond Index (UK) D Inc	6.21%
iShares US Equity Index (UK) D Acc	6.20%
L&G Japan Equity UCITS ETF	4.61%
Vanguard USD Emerging Markets Government Bond UCITS ETF USD Dis	3.41%
L&G Emerging Markets Government Bond (Local Currency) Index Fund (C) Dist	3.35%
JPM Betabuilders US Treasury Bond UCITS ETF - GBP Hedged	2.66%

FUND CHARGES

	B	C
Ongoing charges figure (% p.a.)	0.58%	0.33%
Annual management charge (% p.a.)	0.40%	0.15%
Initial fee	0.00%	0.00%

FUND CODES

	ISIN	SEDOL
B Inc	GB00BNGB1V56	BNGB1V5
C Inc	GB00BPSJ8M12	BPSJ8M1

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 management	Mattioli Woods Plc
Fund size:	£17.80 million
No. of holdings:	16
Sector:	IA Flexible Investment
Benchmark:	IA Flexible Investment
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 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.