

FP MATTIOLI WOODS PASSIVE GROWTH

FUND MANAGER COMMENTARY

MARKET REVIEW

Following a challenging April, the sun shone on both equities and bonds over the month of May with most major markets delivering positive returns. Despite the surprise early announcement of a general election, UK smaller companies staged a particularly impressive recovery as sentiment towards UK equity markets continues to improve. Towards the end of the month, downward revision to US economic growth data increased the likelihood that the Federal Reserve (Fed) may cut interest rates at least once before the end of this year, lending some support to risk appetite globally. Year to date, US markets are still leading the pack thanks to strong corporate earnings and continued consumer resilience. Despite tentative optimism around the outlook for China, developed markets have continued to outperform their emerging peers. Government bonds have fared less well over the period as interest rates have remained at elevated levels with expectations for cuts pushed out further in comparison to projections at the end of 2023.

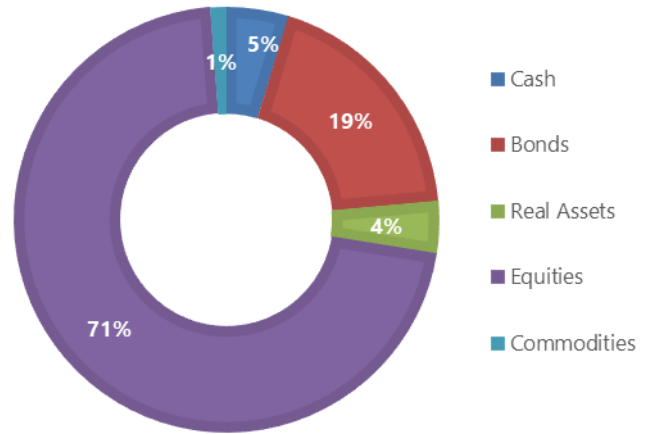
FUND REVIEW

The Fund delivered a positive absolute return of 0.96% over the month, outperforming its benchmark by 0.14%. UK equities were the main contributor to returns over the period. The main UK large cap index achieved fresh all-time highs over the period while small and mid-sized company shares rose amid a flurry of new bids as well as hopes of a possible turning point for the domestically-focused areas of the UK market. Eurozone stocks also contributed to performance, advancing as investors looked ahead to the European Central Bank (ECB) meeting in June, where a rate cut is widely anticipated. Japanese equities were the main detractor to performance over May, primarily due to the weakness of large-cap technology stocks as well as automotive and domestic-oriented retailers. The persistently weak Japanese yen and conservative earnings guidance from companies for this fiscal year weighed on market sentiment. Emerging market equity and debt also impacted performance negatively. Elections in South Africa, Mexico and India all delivered the expected winners, but still moved markets thanks to the nuances in the results with investor reaction to Mexico's results particularly negative.

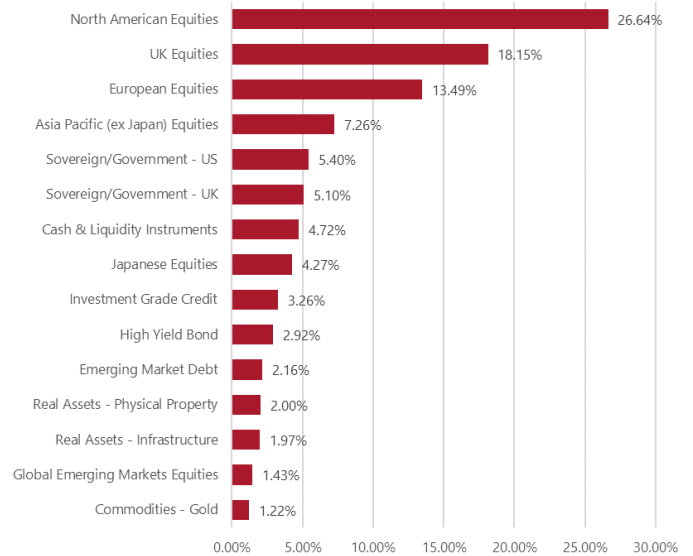
ACTIVITY

There were no asset allocation changes over the period and therefore activity was focused on investing inflows.

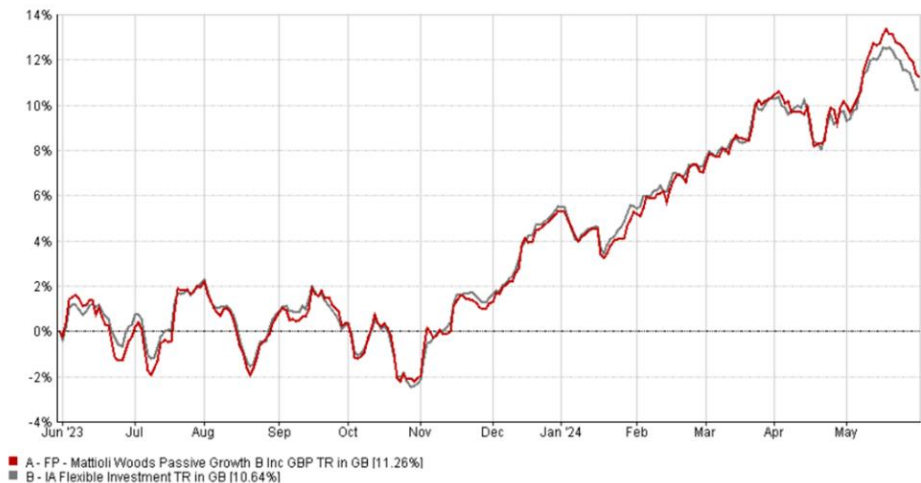
ASSET ALLOCATION



FUND COMPOSITION



FUND PERFORMANCE



Source: Financial Express, bid-to-bid, net income reinvested, sterling terms. Performance is quoted net of fees.

CUMULATIVE PERFORMANCE as at 31.05.2024

	1 month	3 months	6 months	1 year	3 years
Fund	0.96	3.95	9.90	11.26	
Benchmark	0.82	3.11	9.03	10.64	7.92

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 31.05.2024

	1 year
Annual volatility	6.81
Maximum drawdown	-3.92
Sharpe ratio	1.14

Metrics annualised over three years for Share Class B Inc

TOP TEN HOLDINGS as at 31.05.2024

Holding	Percentage
L&G UK Index Trust C Inc	18.15%
L&G US Index Trust C Inc	13.64%
L&G European Index Trust C Inc	13.49%
iShares US Equity Index (UK) D Acc	12.13%
UBS (Irl) Fund Solutions plc - MSCI AC Asia ex Japan SF UCITS ETF (USD) A Acc	7.26%
JPM Betabuilders US Treasury Bond UCITS ETF - GBP Hedged	5.40%
iShares UK Gilts 0-5 Yr ETF	5.10%
L&G Japan Equity UCITS ETF	4.27%
iShares Corporate Bond Index (UK) D Inc	3.26%
iShares Global High Yield Corp Bond UCITS ETF GBP Hedged	2.92%

FUND CHARGES

	B	C
Ongoing charges figure (% p.a.)	0.49%	0.24%
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:	£26.77 million
No. of holdings:	17
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.