31 MAY 2024

MATTIOLI WOODS FUNDS

FP MATTIOLI WOODS RESPONSIBLE EQUITY FUND

FUND MANAGER COMMENTARY

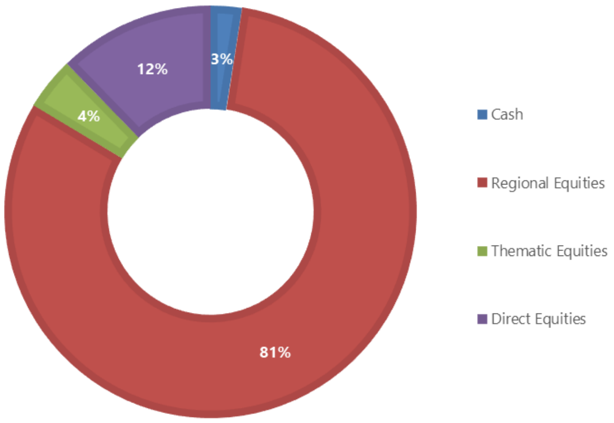
MARKET REVIEW

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.

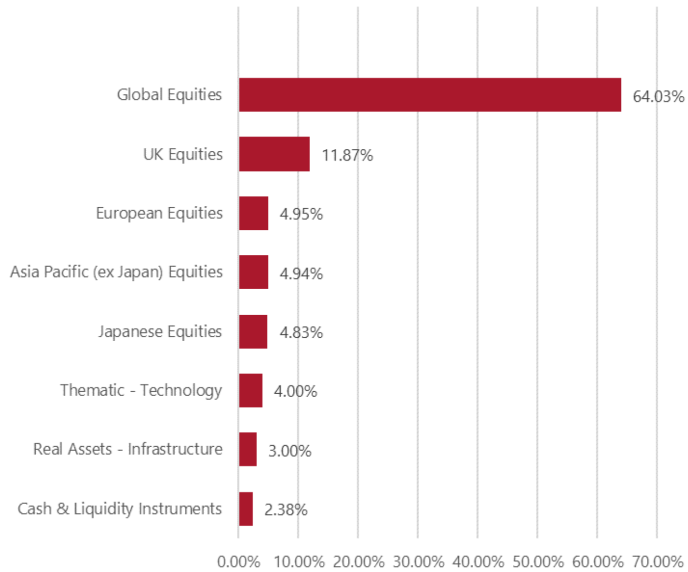
FUND REVIEW

The Responsible Equity Fund delivered performance of +1.71% during May, ahead of the benchmark's +1.08%. Having had a more difficult April, the technology sector and US equities rebounded during May and it was pleasing to see the Fund outperform, despite underweight positions to both. The performance of US and global equities was helped by yet another strong update from Nvidia, which continues to see significant sales growth, owing to increased adoption of artificial intelligence. Several positions in the Fund hold exposure to the business, including Janus Henderson Global Sustainable Equity and Janus Henderson Sustainable Future Technologies. Despite the strong performance of the US, the best performing fund over the month was the Schroder Global Sustainable Value fund. The fund has a strict valuation discipline and, therefore, minimal exposure to those areas of the market that have excelled over the past year. The managers continue to run a highly differentiated portfolio, with a focus on stock picking. Our Asian exposure was weaker during the month. After a strong run, Japanese equities paused for breath, as the market navigates a weaker yen and a shift in interest rate policy. Despite difficult market conditions, Nomura Japan Sustainable Equity delivered good relative performance. Indian markets were soft ahead of the election, but Stewart Asia Pacific Sustainability also managed to outperform the benchmark. We reduced our position in Janus Henderson Global Sustainable Equity during the month, to meet a redemption.

ASSET ALLOCATION



FUND COMPOSITION



Due to rounding, figures above may not equal 100%

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	1.71	3.37	10.70	10.37	
Benchmark	1.21	2.11	12.16	15.50	18.20

ANNUAL PERFORMANCE

	2023	2022	2021	2020	2019
Fund	8.18	-8.39			
Benchmark	12.68	-11.06	17.68	15.27	21.92

TOP TEN HOLDINGS as at 31.05.2024

Holding	Percentage
Janus Henderson Global Sustainable Equity I Inc	20.89%
Nomura Global Sustainable Equity F GBP	20.04%
BNY Mellon Sustainable Global Equity Income I W Inc	11.79%
Schroder Global Sustainable Value	11.32%
Impax Environmental Markets plc	7.99%
FP Carmignac European Leaders B Income GBP	4.95%
Stewart Investors Asia Pacific Sustainability B Acc	4.94%
Nomura Japan Sustainable Equity Core F GBP	4.83%
Janus Henderson Sustainable Future Technologies G Acc	4.00%
Janus Henderson UK Responsible Income	3.89%

FUND AIM

The investment objective of the Fund is to generate a combination of capital growth (the increase in value of investments) and income (money paid out by an investment, such as a dividend from a share or from fund) over an investment term of five-year rolling periods. Capital growth will be prioritised over income generation.

INVESTMENT PHILOSOPHY

The Fund uses a global, multi-sector approach, investing in a combination of direct equities in the UK, as well as geographic and thematic equity funds to generate long-term capital growth and income. The Fund defines responsible investing as aiming to generate attractive long-term returns, while ensuring that the companies owned are behaving in the interests of their communities and wider society.

FUND DETAILS

Fund managers:	Jonathon Marchant and Lauren Hyslop
Fund size:	£11.80 million
No. of holdings:	11
Sector:	IA Global
Benchmark:	IA Global
Distribution policy:	Half-yearly
Payment dates:	March and September
XD date:	February and August
Launch date:	20 September 2021
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
Ongoing charges figure (% p.a.)	
B Income	1.06%
Annual management charge (% p.a.)	
B Income	0.40%
Initial fee	0.00%
ISIN	
B Income	GB00BMCH5X09
SEDOL	
B Income	BMCH5X0

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.**

Sources: FE Fundinfo

MORE INFORMATION

If you have any issues with this document, please contact Mattioli Woods plc.