Structured Products aim to provide less volatile returns as part of a diversified portfolio Fund
Mattioli Woods’ Structured Products Fund

Launched in 2016, the Mattioli Woods Structured Products Fund (SPF) provides you with a unique way of benefiting from the returns of structured products as part of a diversified investment portfolio.

Within our clients’ portfolios of investments, the SPF complements both our discretionary portfolio management and Custodian Capital property proposition.

£255.175m

amount invested in the Mattioli Woods Structured Products Fund as of 28 June 2019

Annual charges

- 0.75% pa management fee
- 0.18% pa administration fee (estimated)*

*The total fund fees for year ended 31 December 2018 were 0.93%

What are structured products?

Structured products allow investors to purchase investments with returns linked to an underlying asset class – which match their investment objectives over a period of time.

The returns for all structured products have a pre-set formula, so the investor knows the potential risks and returns from the outset of their investment.

 Structured Products Fund

Actively managed investments.

About Mattioli Woods

From the young entrepreneur in the early stages of their career, to the retired property developer couple with a combined wealth of more than £20 million, Mattioli Woods is here to help and support our clients in protecting and growing their finances to meet their aims and ambitions.

The same applies to the directors and managers of companies – whether they sit at the helm of an internationally headquartered business or a developed company with offices across multiple sites, we support their individual requirements as well as help them create the right benefits package for their employees. Whatever the situation, we provide our clients with a consistent all-embracing approach, designed to develop a clear strategy supported by sound investment initiatives and a long-term perspective.

Employing almost 700 people, Mattioli Woods is an AIM-listed company forging ahead with our plans for growth and expansion, that will always be proud of the fact our clients, individual or corporate – are the very reason we do what we do.

Our principal services include:

- wealth management – pensions, investments, financial planning and protection
- employee benefits – pensions, flexible benefits, healthcare and financial education
- asset management – portfolio management, the Structured Products Fund, cash ISAs, EIS, SEIS, VCTS and OEICs
- property fund management – real estate investment trust, syndicated property and private investors club
- professional adviser services – SIPP, SSAS and trustee services

“We had been offering structured product plans for 11 years before launching our own award-winning Mattioli Woods Structured Products Fund in 2016.”

The Mattioli Woods Structured Products Fund was awarded the Risk.net Retail Investment Product of the Year for 2018.
What are the benefits?
Structured products can add the following to a portfolio:

1. **Stable and solid returns**
   - Returns on a structured product can be significantly greater than investing directly in the stock market.

2. **Uncorrelated returns**
   - Structured products can provide a return when other assets in a portfolio, i.e. equity markets, do not increase, or may even fall.

3. **Market access**
   - Investing in structured products can give access to a broad range of assets such as indices, equities, commodities, currencies and inflation.

Since 2005, structured products arranged by Mattioli Woods have enjoyed average returns well above the equivalent bank deposit rate* and have delivered these returns despite the banking crisis of 2007–2008 and subsequent falls in the global stock markets.

Therefore, in 2016, we established our own Mattioli Woods Structured Products Fund, to help you to invest directly in structured products as we believe the fund is the best way for clients to obtain exposure to structured products.

What is the objective of the SPF?
The Mattioli Woods Structured Products Fund targets an average annual return of cash* plus 6% over a rolling three-year period, with a volatility (the amount of variation of the net asset value of the fund) less than the leading benchmark equity indices.

Making extensive use of derivatives to meet its investment objective, the value of investments within the fund can fall as well as rise, so is therefore not guaranteed – you may get back less than you invest.

The annual management charge for the SPF is 0.75% per year, while a charge of approximately 0.22% per year will also be made to cover additional costs such as custodian, administration and audit fees. Currently, the fund’s total expense ratio is approximately 0.97% per year.

What are the risks?
An investment in the Mattioli Woods Structured Products Fund carries with it certain investment considerations and risk factors, which are described in detail in its prospectus and Key Investors Information Document (KIID).

These risks include risk of loss of capital, market risk, exit risks, risks relating to collateral arrangements, liquidity risk and particular risks relating to structured products. This is intended to be a brief summary and does not provide a comprehensive explanation of the risk factors applicable to the fund. Investors must carefully read and understand the prospectus and KIID, including the complete description of the risk factors therein, before making an investment decision.

These are available on the Mattioli Woods SPF website www.structuredproductsfund.com/fund-literature.

*3m GBP LIBOR
Why should I be interested in the SPF?
When you compare the SPF with the traditional structured products plan-type investments on offer in the market, there are a number of advantages to the SPF.

The advantages include:

- **Reduced counterparty risk** – the SPF’s counterparty risk is reduced by 100% of the exposure being collateralised (secured) daily. This occurs through the placing of bonds issued by UK, French and German governments rated A or higher with the fund’s custodian.

- **Increased flexibility and liquidity** – all structured product plans have a fixed start and end date. The SPF, however, is available continuously for investors who wish to buy or sell units in the fund.

- **Improved diversification** – individual structured product plans are linked to a narrow (and predefined) set of underlyings – i.e. equity indices, baskets of stocks – and the return is linked to the performance of those underlying assets. The SPF, however, aims to achieve its target return by giving investors access to a larger number of underlying assets.

- **Simple investment process** – when creating this fund, we wanted to eliminate much of the paperwork that usually comes with structured product plans. Therefore, investment in the SPF can be made via the same fund platforms we already use. Plus, any maturing return will automatically be reinvested in another structured product selected by the investment advisers.

**Investment process**
The Structured Products Fund is driven by the following principles:

**Simplicity**
We attempt to achieve our target return* by investing in easy-to-understand structured products that invest in well-known underlying assets. Each structured product is described in detail via our website www.structuredproductsfund.com/current-market-exposure.

**Consistent returns**
We aim to deliver a consistent positive return* in all market conditions. Structured products are bespoke and can pay when the traditional equity indices fall or remain static. Our investment advisers will use their substantial structured product experience to deliver potential returns regardless of the performance of those indices.

**Analysis**
As all structured products have predefined returns, the investment advisers will be able to forecast how each new structured product will affect the performance of the fund. Therefore, each will be subject to extremely thorough analysis as to how the objectives of the fund will be impacted before a decision is made to invest.

* *3m GBP Libor plus 6% per annum over a rolling three-year period, with a volatility less than the leading benchmark equity indices.*

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Exposure to a broader spectrum of underlying assets.

An investor-friendly structure.
Conflicts of interest

We have taken all reasonable steps to identify conflicts of interest...

Firstly, when acting as advisers to the portfolio manager. Secondly, with our employees and any person linked directly or indirectly to us, and finally, as investment adviser/manager to retail clients who may invest in the fund.

Accordingly, we have a conflicts of interest policy to ensure we do not gain any advantage from our position concerning your interests as investors. Full details of the policy are available on our website www.structuredproductsfund.com/userfiles/PDFs/Conflicts%20of%20Interest_Final.pdf

We will regularly review the conflict policy to ensure it remains suitable and appropriate for our clients.
Pension and ISA investment
If the fund is held in a self-invested personal pension, a small self-administered scheme or an individual savings account, or as part of a recognised pension scheme, returns from any holding in the fund should be subject to the usual tax rules for such investments, i.e. returns should be tax free.

Direct investments by individuals
The fund has UK reporting fund status and is a UK ‘reporting fund’, which is applicable to the taxation of relevant UK participants in the fund.

Where a relevant UK investor holds an interest in a ‘reporting fund’ that has reporting fund status for all periods of account for which they hold their interest, any gain accruing upon sale or other disposal of the interest will be subject to tax as a capital gain; relief will be given for any accumulated or reinvested profits that have already been subject to UK income tax. Participants in ‘reporting funds’ would ordinarily be taxed annually on distributions from a fund as well as any ‘excess UK reportable income’ as calculated under UK tax and accounting principles.

The fund has undertaken an exercise to confirm that, based on the current investment strategy, all derivatives and structured products should be held for capital gains purposes; therefore no separation of derivative income should be necessary when calculating ‘excess UK reportable income’.

The fund envisages that, based on current UK legislation, there should be no ‘excess UK reportable income’ annually. However, while the fund endeavours to achieve this, it cannot be guaranteed.

Taxation of the SPF
Prior to investment in the SPF, you should contact your tax adviser to clarify the tax consequences relevant to your individual status and position.

Financial Services Compensation Scheme
Mattioli Woods and CFS are covered by the Financial Services Compensation Scheme (FSCS).

In the event that either company is declared in default and you have suffered a loss as a result of its actions or negligence, you may be entitled to compensation from the FSCS. If so, and if the compensation level of your claim against us is greater than £50,000, you would not be covered for the excess.

If you have any queries, you may wish to contact the FSCS at:
Financial Services Compensation Scheme, PO Box 300, Mitcheldean GL17 1DY.
Telephone 0800 678 1100 or +44 (0)207 741 4100
The FSCS website suggests telephoning the FSCS would be the quickest way to resolve your query.
Get in touch

For more information or to arrange a meeting to find out more about the Structured Products Fund, please contact info@mattioliwoods.com, or contact your Mattioli Woods plc consultant.

Initial meetings are held at our expense and on a without-obligation basis. The purpose of the meeting is to gain a full understanding of your position, key issues and objectives, and for you to gain a real insight into Mattioli Woods and our capabilities.

Mattioli Woods plc is a leading provider of wealth management and employee benefit services.

We pride ourselves in building long-term relationships to provide trusted advice, high standards and a personalised delivery.

We provide our clients with an all-embracing and integrated approach that is designed to develop a clear strategy for financial plans, supported by sound investment and taxation initiatives.

This document has been produced for information purposes and should be read in conjunction with the prospectus and the Key Investor Information Document (KIID), which are available from your Mattioli Woods consultant or on the SPF website. It is not intended to be an invitation to buy, or act upon the comments made, and all/any investment decisions should be taken with advice, given appropriate knowledge of the investor’s circumstances. You must satisfy certain investor criteria before you can be considered eligible to invest. Any forward-looking statement and forecasted returns represent the current views of Mattioli Woods plc and may be subject to change. Your capital may be at risk and past performance is not a guide to future returns. Mattioli Woods plc is authorised and regulated by the Financial Conduct Authority. Mattioli Woods plc is responsible for the material in this document and it has not been issued or approved by Commerzbank London Branch or CFS.

The aforementioned fund is a sub-fund of CBK SICAV, an investment company with variable capital, incorporated in Luxembourg, under Part I of the Luxembourg Law of 10 December 2010, UCITS V Fund. Registered office of CBK SICAV is 33, rue de Gasperich, L-5826 Hesperange, Grand Duchy of Luxembourg. The management company is Commerz Fund Solutions S.A. (CFS) of 25 rue Edward Steichen, L-2540 Luxembourg. CFS is a wholly owned subsidiary of Commerzbank AG. The Financial Services Compensation Scheme (FSCS) is an organisation that protects consumers when a UK-authorised financial services firm stops trading or does not have enough assets to pay claims against it.

More can be found at www.fscs.org.uk. © Copyright Mattioli Woods plc, all rights reserved AMSPF/1018/PEL3/PDF

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