



## KEY FACTS

<b>FUND SIZE</b> (As of 31 October 2017)	<b>NAV</b> (As of 31 October 2017)	<b>LAUNCH</b>	<b>AMC</b> (Annual management charge)	<b>TER</b> (Total expense ratio, estimated)	<b>ISIN</b>	<b>SEDOL</b>	<b>BLOOMBERG CODE</b>
£141,926,200	103.6%	28 Nov 2016	0.75%	0.97%	LU1440702675	BD87QV6	CBKMWSP LX

WEBSITE | [www.structuredproductsfund.com](http://www.structuredproductsfund.com)

## INVESTMENT OBJECTIVE AND INVESTMENT SELECTION

The fund's objective is to return an average annual return of cash (3m GBP Libor) plus 6% over a rolling three-year period with a volatility lower than the leading benchmark equity indices. This return will be achieved by investing in a diversified portfolio of structured product pay-offs.

## PORTFOLIO ACTIVITY

The fund restructured one structured product, unwound another and increased a third this month. The restructured trade is linked to the performance of a leading US equity index and a leading UK equity index, and would have originally paid a return if both indices fell from their start levels in February 2017. As both indices have risen significantly, the daily valuation of this structured product has fallen to 85.28% of its purchase price. As the original view the advisers were originally trying to capture is now unlikely to take place, they decided to restructure the trade. Details of the restructure are shown below:

	<b>Original Structured Product</b>	<b>Restructured Version</b>
<b>Call Level (expressed as a percentage of Start Level, both indices have to be below this level for the return to be paid)</b>	6 months: 99%    Year 4: 92% Year 1: 98%    Year 5: 90% Year 2: 96%    Year 6: 88% Year 3: 94%	6 months: n/a    Year 4: 110% Year 1: 109%    Year 5: 110% Year 2: 110%    Year 6: 110% Year 3: 110%

Disclaimer: A Key Investor Information Document, Supplementary Information Document and an English language prospectus for the Structured Product Fund are available via the fund website or on request, and potential investors should consult these documents before purchasing shares in the fund. The value of investments and the income from them can fall as well as rise and investors may not get back the full amount invested. Past performance is not a guide to the future. Any investment decisions should be taken with advice, given appropriate knowledge of the investor's circumstances. This financial promotion is intended for UK residents only and is communicated by Mattioli Woods plc, which is authorised and regulated by the Financial Conduct Authority. The information above is based on Mattioli Woods' current expectations and is subject to change without notice.

<b>Return</b>	6 months: 4.2%, Year 1: 8.4%, Year 2: 16.8%, Year 3: 25.2%,	Year 4: 33.6%, Year 5: 42%, Year 6: 50.4%	6 months: n/a Year 1: 8%, Year 2: 0%, Year 3: 0%,	Year 4: 0%, Year 5: 0%, Year 6: 0%
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All the other details of this structured product stay the same.

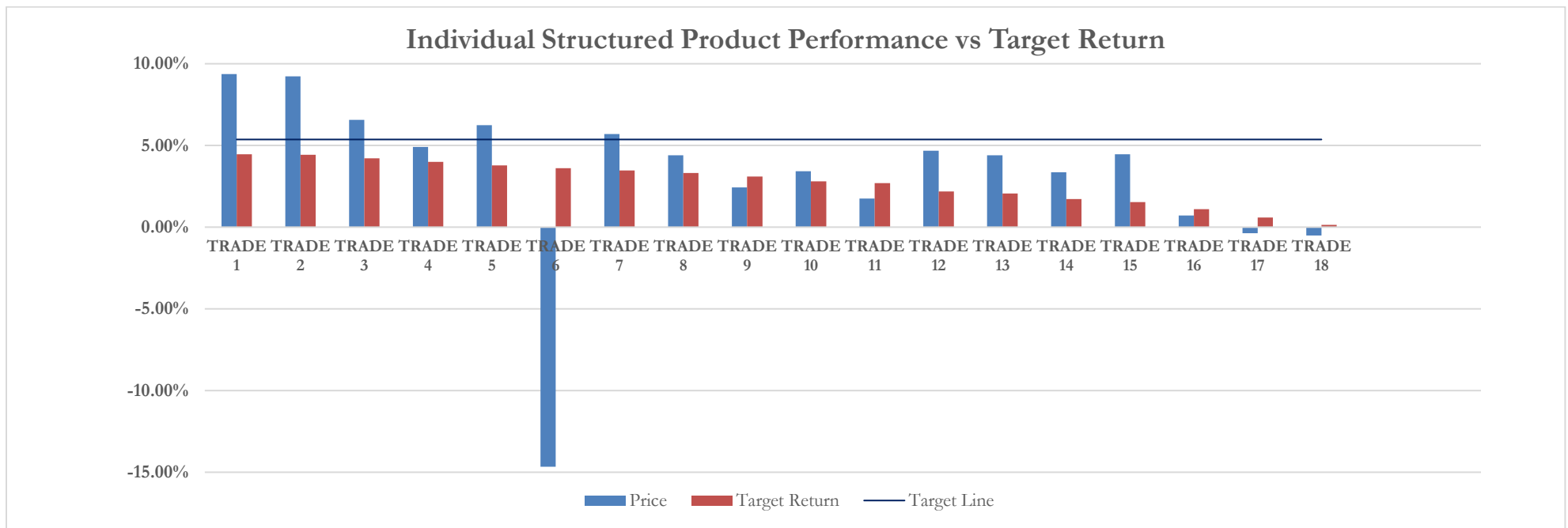
The unwound structured product was linked to the performance of a leading UK equity index. This structured product would have paid an 8% return and auto called if the index closed at or above 104% of its start level on the 5 January 2018. As of the close on 17 October, the index closed at 104.8% of its start level. The advisers are concerned that the current economic and political environment in the UK will mean more uncertainty for the index in the short term, and there is a strong possibility that the index will below its auto call level in January. The advisers decided to unwind this trade on 18 October, realising a return of 5.76% on this structured product.

The advisers decided to increase a range accrual linked to a leading Japanese and a European Bank Sector Index in October by £2m. As of the increase date, this structured product had accrued 54 days' worth of coupon the equivalent of a 1.49% return, but the increase price was executed at -0.51% (i.e. the fund receives £2m \* 0.51%). The advisers saw this as a good opportunity to increase this structured product, as the accrued coupon applies to the increase amount and the original investment and the increase was achieved at a discount of 0.51% compared to the original purchase price.

The details of all the structured products the fund holds are available on our website.

## INDIVIDUAL STRUCTURED PRODUCT PERFORMANCES

The bar chart below shows the current indicative valuation of each individual structured product ( the blue bar ) versus the annualized target return ( the red bar ), and both are shown net of the estimated TER of 0.97%. The TER is also calculated on an annualized basis. Trade 1 was the first structured product that the fund purchased, on 5 December 2016. This structured product should reach its target return ( 3 month Libor\* + 6% ) a year later, on 5 December 2017. The return for this structured product should therefore be 3m Libor +6%; as 3m Libor is currently 0.335%, Trade 1 should be at 6.335% - 0.97% = 5.365% on this date. The horizontal line shows the target return of 5.365%. The blue bars show how each trade is currently performing relative to its annualized target return from the purchase date of each structured product. The newest structured product, trade 18, was executed on 25 September and should reach its target return on 25 September 2018.



- Source – Mattioli Woods internal data. All prices quoted above are gross of AUA and platform fees.
- \*3m Libor is the average interest rate at which a selection of banks in London are prepared to lend to one another with a maturity of 3 months

### WHAT IS THE AVERAGE MATURITY OF THE STRUCTURED PRODUCTS IN THE PORTFOLIO?

All the structured products held by the fund have autocall or early termination features. This simply means they can pay the original amount invested plus a return before the maximum maturity. All the structured products the fund holds have a maximum maturity of six years. The shorter the average maturity the sooner the fund will receive the original amount invested plus a return; therefore, as a rough guide, the lower the average maturity the better. The current average maturity of the structured products in the portfolio is 2.08 years, with the shortest maturity being 0.47 years and the longest 3.99 years.

### MONTHLY NAV AND YTD PERFORMANCE FIGURES

Date	31 Jan	28 Feb	28 Mar	28 Apr	28 May	29 Jun	28 Jul	31 Aug	29 Sep	31 Oct	30 Nov	31 Dec	YTD
2016											1.00	1.0001	+0.01%
2017	1.0011	1.0022	1.011	1.0200	1.0210	1.018	1.028	1.033	1.037	1.036			+3.6%



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WEALTH MANAGEMENT & EMPLOYEE BENEFITS

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