



KEY FACTS

FUND SIZE	NAV (As of 28 March 2017)	LAUNCH	AMC (Annual management charge)	TER (Total expense ratio, estimated)	ISIN	SEDOL	BLOOMBERG CODE
£73,290,751.62	101.10%	28 Nov 2016	0.75%	0.97%	LU1440702675	BD87QV6	CBKMWSP LX

WEBSITE | 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 has invested in two structured products this month. The first pay-off is an autocall i.e. it can terminate after nine months and quarterly thereafter, and is linked to the performance of a leading Swedish equity index and a leading Australian equity index. The advisers believe these two indices will have a neutral to slightly positive performance over the next nine months. With this in mind, we have invested in a structured product that pays a coupon of 2.12% per quarter if both indices are at or above 80% of their start levels after three months. In other words, both indices can fall by 20% from now until 7 June and still pay a coupon of 2.12%. As an additional feature, on the 3rd quarter anniversary of the start date (after nine months), if both indices are at or above their start levels, the structured product will autocall. The other structured product we have invested in this month is designed to pay a return if based on the relative performance of two indices, rather than their absolute performance. We have chosen the leading European equity index and the leading European equity index linked to the banking sector. Our view is that the banking sector index will outperform the leading European equity index over the next six months, so if the performance of the bank index is greater than the leading European equity index, the structured product will autocall and pay a return of 4.2%. In this structured product, "greater" means the bank index has risen more, or fallen less than the leading European equity index.

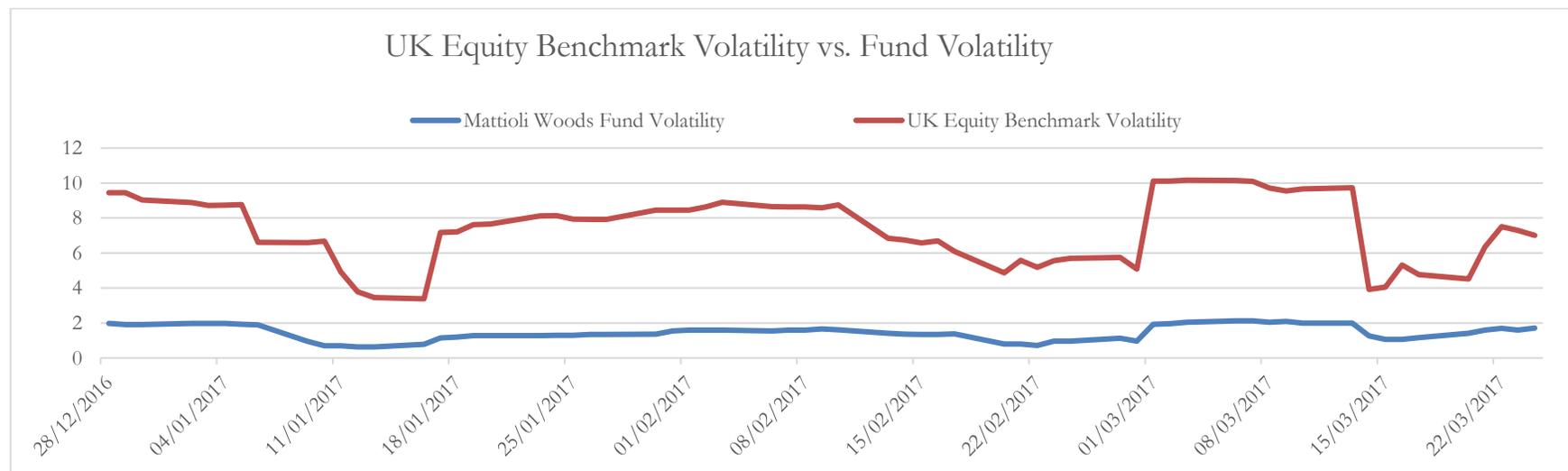
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MONTHLY REVIEW

In the US, the recent failure of Donald Trump to obtain approval of his flagship health-care reform bill has cast major doubts over the president's ability to pass the required legislation to pass the rest of his policies – especially tax cuts and regulatory changes. This has had the immediate knock on effect of lower share prices in the US and a weaker currency. The forthcoming investigation into the alleged Russian involvement in the US election and Donald Trump's complicity will create more uncertainty in the near term. In the UK, Theresa May has finally triggered the UK's exit from the EU; this will be the start of a long negotiating process – that has an infinite number of outcomes, and therefore creates huge uncertainty for the UK economy until the negotiation process is finalised – which could be as late as March 2019. In Europe, the economic outlook is largely positive, many market commentators expect strong earnings growth in Europe for 2017 and believe elections in Germany and France could deliver welcome reform and fiscal stimulus – provided Macron wins the French election and Schulz wins in Germany. Any other result, plus the contagion from Trump's failure to deliver on his low tax, fiscal stimulus agenda may mean equity market growth may be delayed until the policies of the political leaders are made clear.

WHAT IS HISTORICAL VOLATILITY AND WHY IS IT IMPORTANT?

Investors use historical volatility as a way of observing the price movement in a fund or share – funds or shares with higher historical volatility have experienced more price movement in the past, and may have a higher price movement in the future and therefore could be considered more risky. As historical volatility does not give any insight into the direction or trend of the price movement it is only useful as a possible indicator of the magnitude of future price moves, based on past movements, so historical volatility does not tell you where the price of the fund or share being observed started and finished in a given observed period. The fund advisors are targeting lower volatility than the benchmark UK equity index for the fund, and the diagram below compares the historical volatility of the UK equity benchmark against the historical volatility of the fund.



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WEALTH MANAGEMENT & EMPLOYEE BENEFITS

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. Past performance is not necessarily a guide to future performance. The value of investments may fall as well as rise and be affected by market movements; you may not get back the amount of your original investment. 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.

*Source Bloomberg

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. This month, the average maturity has reduced from 3.32 years to 2.99 years. The current average maturity of the structured products in the portfolio is 3.32 years, with the shortest maturity being 2.13 years and the longest 4.94 years.

MONTHLY NAV AND YTD PERFORMANCE FIGURES

Date	31 Jan	28 Feb	28 Mar	30 Apr	31 May	30 Jun	31 Jul	31 Aug	30 Sep	31 Oct	30 Nov	31 Dec	YTD
2016											1.00	1.0001	+0.01%
2017	1.0011	1.0022	1.011										+0.99%

SCENARIO ANALYSIS

The analysis below is an estimate of what would happen to the price of the fund if all the indices to which the fund has exposure via its structured products moved overnight by the amounts shown in the 'market move' column. This analysis is made subject to a number of assumptions regarding the various inputs required and cannot be seen as an accurate prediction of how the price of the fund will move.

Market move (As at 28 March 2017)	-20%	-10%	+10%
Immediate change in fund price	-9.15%	-3.28%	0.92%