



## KEY FACTS

<b>FUND SIZE</b> (As of 28 July 2017)	<b>NAV</b> (As of 28 July 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>
£115,139,200	102.8%	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 invested in one new structured product this month and increased two existing structured products holdings. The new structured product is linked to the performance of a leading UK and a leading US index. This structured product will pay a 5% return and autocall ( i.e. mature early ) if both indices are above their initial level at the close of business on 22 January 2018. If not, there are two further opportunities for this structured product to autocall; on 23 July 2018 (with a 9% return) and 24 July 2019 (with an 18% return), again if both indices are above their initial level. The initial index levels were taken as of the close of business on 21<sup>st</sup> July 2017. If this structured product does not autocall, it will mature on 22 July 2024 and pay 2.51 times the average performance of the two indices above 90% of their start level, with a maximum return of 62.75%. We believe the indices that this structured product is linked to will be at or above their initial levels in the short term, and if not the average performance of the two indices will be above 90% of their initial levels in 7 years' time. We increased the structured product linked to the Basic Resources Index on the 7<sup>th</sup> July, as the Index had risen by 4.4% since the structured product began and we were able to increase it at a level that was very close to the original purchase price. We added £1m to a structured product that should pay a 2.04% coupon on 10<sup>th</sup> August. We were able to add this amount and keep the return for this structured product above the target return level of 8% per annum.

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.

## WHEN COULD THE FUND LOSE MONEY ?

The main objective of the fund is to provide the target return in all but the most negative market conditions. This means the fund would lose some of the capital invested in the fund if the benchmark equity indices fell by more than 40% from their start levels. The advisers have mitigated this potential loss by buying one structured product that pays a return if markets fall, but this has been excluded from the table below as we wanted to show the worst case scenario for the fund. This table shows the average fall required for the fund to lose some of the initial capital, and the date at which any capital loss will be measured. The fund currently holds 16 structured products.

Index	Average Percentage fall from current level* before any capital is at risk	First date at which any capital loss will be measured.
Leading European Equity Index	39.76%	23 February 2023
Leading UK Equity Index	40.45%	9 January 2023
Leading Australia Equity Index	40.38%	28 December 2022
Leading Japan Equity Index	43.27%	24 January 2023
Leading Sweden Equity Index	38.29%	9 March 2023
European Sector Equity Indices	43.61%	13 June 2023
Leading US Equity Indices	42.72%	3 February 2023

\*Close of business on 28<sup>th</sup> July 2017

## SCENARIO ANALYSIS

For this month we have put together some analysis that shows what the return on the fund would be if we held the existing portfolio until each structured product either autocalled or paid a return at maturity. For simplicity's sake, we have assumed a fund price of 102.5, data is gross of fees and no reinvestment of any of the structured products if they autocall or mature, so the return numbers below just show the annualised return on the current portfolio currently held. We have assumed three scenarios:

- 1) The equity indices the fund is exposed to fall by 10% from their current levels and do not move again until the whole portfolio of structured products in the fund matures
- 2) The equity indices the fund is exposed to rise by 10% from their current levels and do not move again until the whole portfolio of structured products in the fund matures
- 3) The equity indices the fund is exposed to do not move at all from their current levels until the whole portfolio of structured products in the fund matures

Market Move	Total Return	Duration	Annualised Return
Equity Indices Fall by 10% from their current levels	20.77%	2.92 years	7.10%
Equity Indices do not move from their current levels	15.42%	2.17 years	7.11%
Equity Indices Rise by 10% from their current levels	15.50%	2.05 years	7.55%



In the above table, the Total Return is the amount the fund would receive from the structured products currently held in the portfolio. The duration is the average length of time it would take for the Fund to receive the Total Return, as some structured products will autocall within the next year, whereas others will not pay a return for another 5 years. The Annualised Return is the Total Return divided by the Duration.

## MONTHLY NAV AND YTD PERFORMANCE FIGURES

Date	31 Jan	28 Feb	28 Mar	28 Apr	28 May	29 Jun	28 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	1.0200	1.0210	1.018	1.028						+2.69%

