



## KEY FACTS

<b>FUND SIZE</b>	<b>NAV</b> (As of 27 April 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>
£88,142,035	102.00%	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 has invested in one structured product this month, and increased seven of the existing structured products. The fund advisers are continuously looking for new structured products to invest in, but in the last month market conditions have not been favourable for new investment. Developed market indices continue to increase making the entry level for new structured products unattractive, and volatility continues to fall, lowering the possible returns achievable by new structured products. The benchmark measure for volatility, the VIX index, is at its lowest level since February 2007 – which means the fund advisers have to take on more risk to obtain the target return.

The new structured product is an autocall (i.e. it can terminate after two years and annually thereafter) linked to a leading European equity index and a leading UK equity index. This structured product has an additional feature – if either index falls by 10% compared to their levels on 4<sup>th</sup> April, an additional 5% coupon is added to the autocall return. The increases to the seven existing structured products were executed at annual returns in excess of the target return, and we will continue to increase the existing structured products on an opportunistic basis.

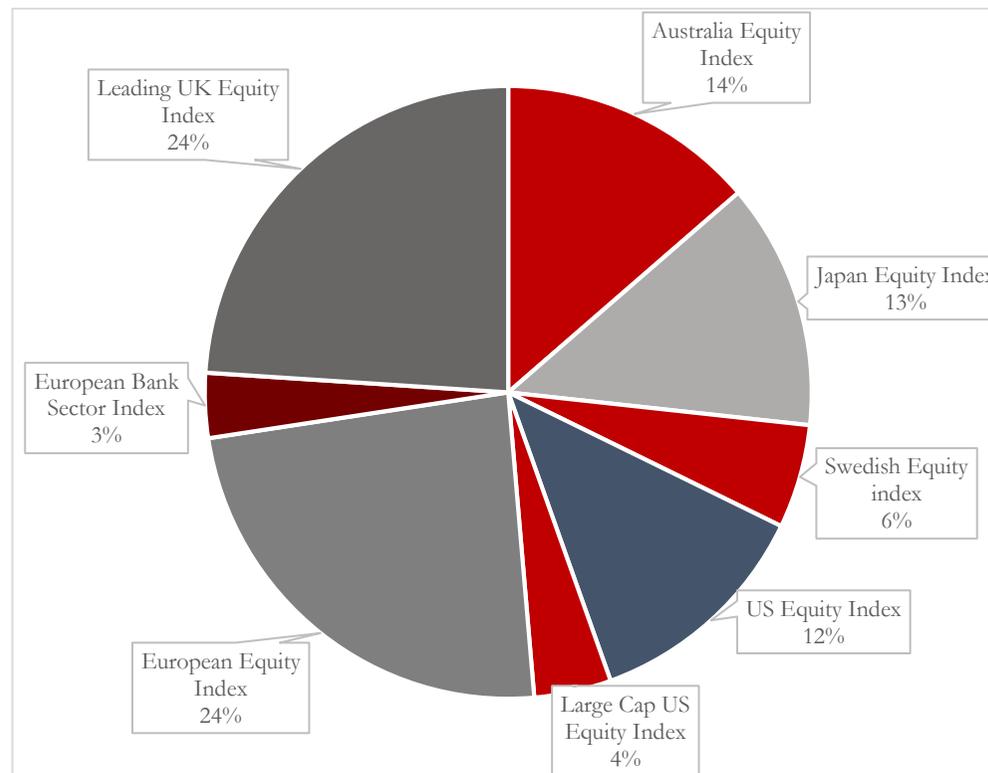
## MONTHLY REVIEW

Markets rallied strongly this week following the first round of the French Presidential election. It is now a two horse race between Macron and Le Pen, so the possible run off between two candidates who have an anti-European bias has been avoided. The fund benefited from a rally in the European banking sector after the result was announced, as one of the structured products the fund holds benefits from the European banking sector outperforming the benchmark European equity index. President Trump's promised "big announcement" on tax is in line with his pro business stance, but how the tax cut will be funded is still unclear. US equities continue to increase as the US economy continues its strong growth post the recession.

In the UK, the election announcement caused a temporary dip in the UK equity market, but this was quickly overcome by the relief of the likely Macron victory in the French election. Any volatility in the short to medium term in the UK will be linked to any developments around the Brexit negotiations.

## WHAT INDICES DOES THE FUND HAVE EXPOSURE TO ?

The fund currently has exposure to the performance of eight equity indices in the portfolio. The percentage we have in each index is shown in the chart below and more details of the portfolio can be found on our website: [www.structuredproductsfund.com/current-market-exposure](http://www.structuredproductsfund.com/current-market-exposure). The portfolio is not dependent on these indices increasing to increase the NAV of the fund – the fund will benefit from a combination of these indices increasing, falling or moving sideways over the short to medium term.



\*Source Mattioli Woods Internal Data

## 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 2.99 years to 2.81 years. The current average maturity of the structured products in the portfolio is 2.81 years, with the shortest maturity being 1.54 years and the longest 5.01 years.

## MONTHLY NAV AND YTD PERFORMANCE FIGURES

Date	31 Jan	28 Feb	28 Mar	28 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	1.0200									+1.89%

## 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 April 2017)	-20%	-10%	+10%
Immediate change in fund price	-10.06%	-3.42%	0.84%



**Mattioli Woods** plc  
WEALTH MANAGEMENT & EMPLOYEE BENEFITS

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