



KEY FACTS

FUND SIZE (As of 29 September 2017)	NAV (As of 29 September 2017)	LAUNCH	AMC (Annual management charge)	TER (Total expense ratio, estimated)	ISIN	SEDOL	BLOOMBERG CODE
£132,963,700	103.7%	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 invested in one new structured product this month and added to one existing structured product holding. The new structured product is linked to the performance of a leading Japan equity index and a leading UK equity index. Our view on both these indices is that they will have limited upside from the current levels in the short to medium term. With these views in mind, the new structured product accrues a coupon every day the two underlying indices close within 80-110% of their start levels. If both indices stay within this range for the whole year, the structured product will pay a 9.33% coupon. This coupon would be reduced on a daily basis if either index closes outside the 80-110% range during the year. The start levels for both indices were the closing levels on 25th September. At the end of the first year, if both indices are at or above their start levels, this structured product will autocall. Otherwise the structured product continues with the same 80%-110% coupon barriers but the autocall barrier falls by 5% per annum. This structured product can autocall quarterly from year 1 onwards

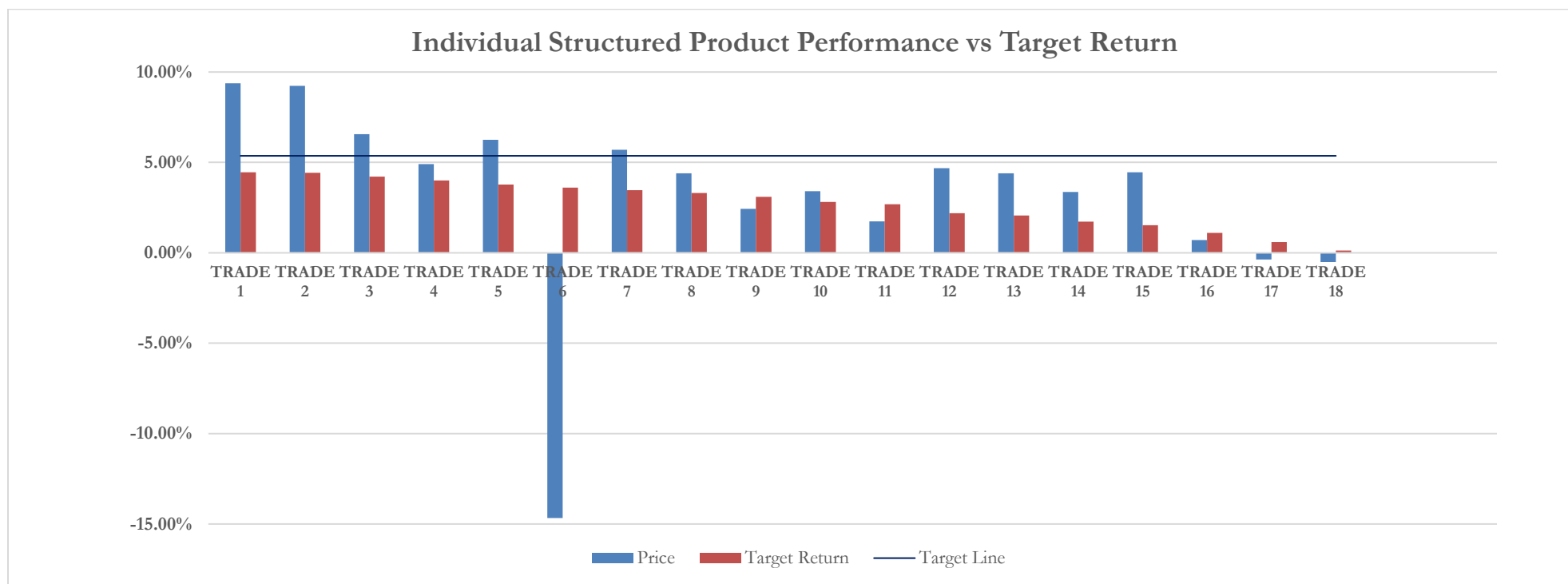
The structured product fund holds a structured product linked to the performance of a European bank sector index. This structured product will pay 8.2% and autocall if the index is at or above its start level on the 11 December 2017. The start level for this index was the closing level of the index on 22 June 2017. The advisers took advantage

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of a fall in the index in early September to add £1m to this structured product. This increase was achieved at a 1.56% discount to the original purchase price. As of the close on the 28th September the index was 4% above its start level. 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.

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' row. 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 31 August 2017)	-20%	-10%	+10%
Immediate change in fund price	-9.03%	-2.77%	-1.30%

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				+3.7%

