



KEY FACTS

| FUND SIZE (As of 31 August 2017) | NAV (As of 31 August 2017) | LAUNCH | AMC (Annual management charge) | TER (Total expense ratio, estimated) | ISIN | SEDOL | BLOOMBERG CODE |
|--|--------------------------------------|---------------|--|--|--------------|--------------|---------------------------|
| £123,072,020 | 103.3% | 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 restructured one existing structured product holding. The new structured product is linked to the performance of a leading Japan equity index and a European bank equity index. In the second quarter of 2017 the Japanese economy expanded at its fastest pace for two years. Whilst such strong growth may not be sustainable in the long term, we expect healthy domestic demand and construction projects linked to the 2020 Olympics in Tokyo to boost the Japanese economy for the next two years. We think the European Bank sector will be well supported given where Europe is within its economic cycle. We are aware of the problems of the Italian banking sector, but given Italian banks only make up a relatively small proportion of the index, and the European banking giants Santander, BNP, ING, BBVA, Société Générale and Deutsche Bank dominate the index, we believe any weakness in the Italian banking sector will not cause the European bank sector to fall substantially. This structured product accrues a coupon every day the indices close within 80-120% of their start levels. If both indices stay within this range for the whole year, the structured product will pay a 10.04% coupon. This coupon could be reduced if either index closes outside the range during the year. The start levels for both indices were the closing levels on the 25th August. At the end of the first year, if both indices are within 90-110% of their start levels, this structured product will auto call, otherwise the structured product continues and the coupon barriers and auto call barriers widening by 1% and 0.5% respectively.

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.

The advisers have the ability to change existing individual structured products in the fund. This restructuring is usually done to reduce overall risk. We have one structured product linked to a leading UK equity index that had the most risk of all the structured products the fund held. By risk we mean “exposure to movement in the index and movement in the volatility of that index”. In order to reduce the risk of this structured product, we added an auto call feature at the end of year 1 to increase the likelihood of an autocal and reduce the exposure of this product to the price moves and volatility moves of the index. More details of all the structured products the fund holds are available on our website.

ECONOMIC OUTLOOK

There was a slight increase in volatility in August, due to the continued missile testing of North Korea and the response from the US. However, volatility remains near historic lows and the leading UK, US and European equity markets were largely unchanged in August. The Fund also has exposure to the European Bank sector and the Basic resources sector. Over the last month the Bank sector has followed its benchmark, being slightly lower, but the Basic Resources index was up 3.6% in August and is now nearly 15% above the level observed when we first took a position in this at the end of June.

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 2.30 years, with the shortest maturity being 0.69 years and the longest 3.79 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 | -11.49% | -3.97% | 0.44% |

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 | 1.033 | | | | | +3.19% |



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WEALTH MANAGEMENT & EMPLOYEE BENEFITS

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