

KEY FACTS

FUND SIZE	NAV	LAUNCH	**AMC	***TER	ISIN	SEDOL	BLOOMBERG CODE
£47,884,557*	100.01%	28 Nov 2016	0.75%	0.97%	LU1440702675	BD87QV6	CBKMWSP LX

WEBSITE | www.structuredproductsfund.com

* As of 30th December 2016 ** Annual Management Charge *** Total Expense Ratio, estimated

INVESTMENT OBJECTIVE & INVESTMENT SELECTION

The Fund's objective is to return an average annual return of cash* plus 6% over a rolling 3 year period with a volatility lower than the the leading benchmark equity indices. This return will be achieved by investing in a diversified portfolio of structured product pay offs. All details of the current exposure of the fund can be found on the website www.structuredproductsfund.com/current-market-exposure.

*3m GBP Libor

PORTFOLIO ACTIVITY

We made three new investments this month, two range accrual trades, one linked to the performance of a leading UK Equity Index and a leading US Equity Index and the other linked to the performance of a leading European Equity Index and a leading Japan Equity Index and an autocall linked to the performance of a leading UK Equity Index and a leading Australia Equity Index. The range accrual trades lock in a fraction of the annual coupon every day the indices close within a predefined barrier. There is more information on the European equity index and Japan equity index structured product below. The third pay off linked to the performance of a leading UK Equity Index and a leading Australia Equity Index will pay a coupon of 9.6% and autocall after a year if both indices are at or above their start levels.

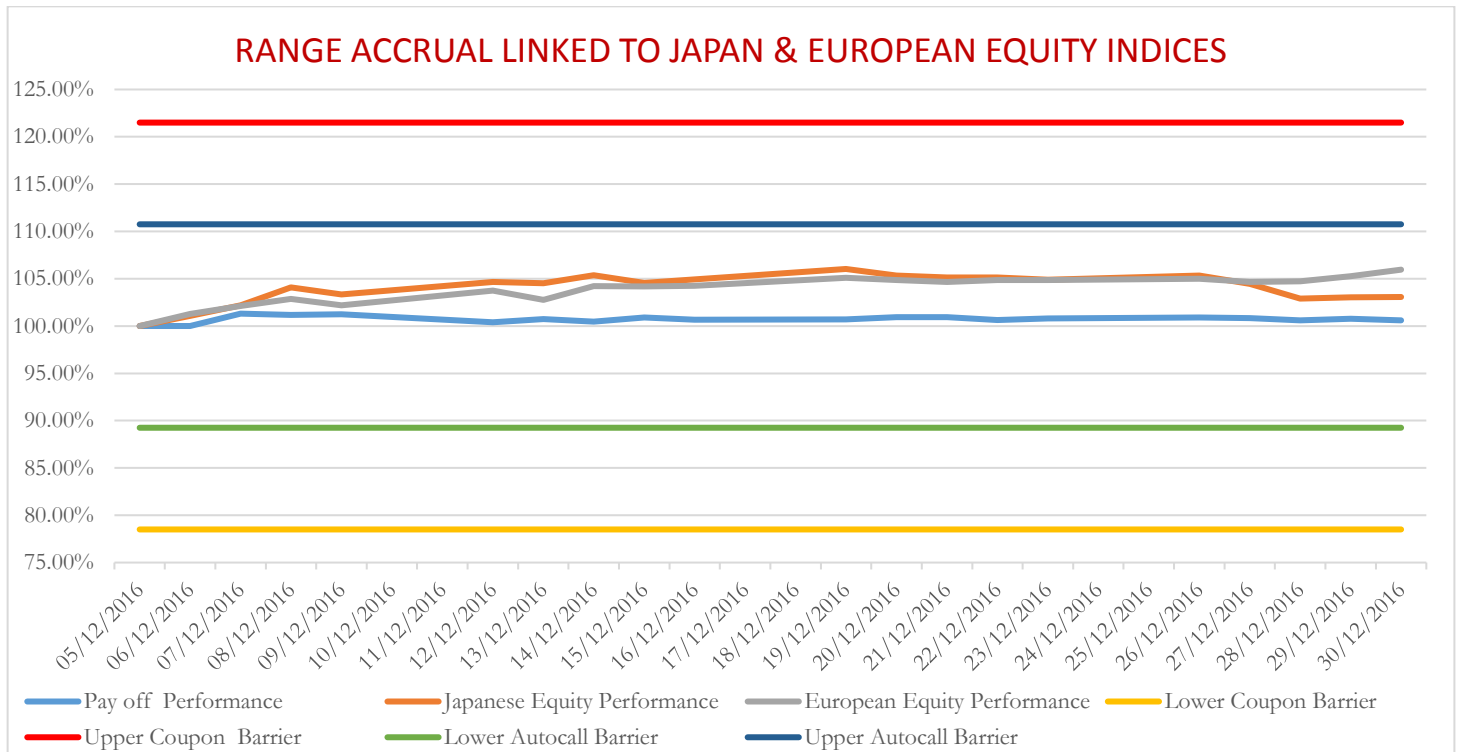
MONTHLY REVIEW

Both advisers have a neutral to slightly negative view on the UK market due to the increase in the biggest quoted UK stocks since February 2016 and the economic uncertainty around Brexit. In the US, we believe the formative months of the Trump presidency will be bearish or neutral for their equity markets, as the details around the pro growth, inflationary stance of the new administration are fleshed out. We are neutral on the Japanese market due to a strong yen potentially undermining profitability while positive technical dynamics, such as a supportive Bank of Japan and pension fund rebalancing towards equity, should provide support.

In Australia, we believe the performance of equity markets will be driven by the four big Australian banks (ANZ, NAB, Westpac and Commonwealth Bank of Australia) and the commodity sector, specifically Rio and BHP. As the Australian banks survived the financial crisis unscathed and there is a general recovery of the commodity sector, we are comfortable that any correction in Australian equity markets will be limited and that the autocall structured product has a high chance of an autocall well before its maximum 6 year maturity.

MONTHLY INDEX PERFORMANCE

Future editions of the monthly report will contain comparisons of the individual index performances to the performance of the fund, and comparisons of the volatility of the fund to the volatility of the benchmark index. For this first newsletter we do not have sufficient data to be able to make genuine comparisons.



WHAT TYPES OF STRUCTURED PRODUCT WILL THE FUND INVEST IN?

The above graph shows the current performance of one of the structured products the fund holds. This structured product is linked to the performance of a leading European Equity Index and a leading Japan index. The performance of the structured product and the two equity indices have been rebased to 100% as of the start date (5 December 2016). Provided both indices close between the lower and upper coupon barriers (the yellow and red lines shown in the graph above) the structured product will accrue a coupon for that day. The upper coupon barrier is 121.5% of the indices' start levels and the lower coupon barrier is 78.5% of the indices' start levels. If the coupon accrues every day for a year, the fund will receive 9.8%. The blue and green lines show the autocall barrier. If both indices are above the lower autocall barrier (89.25% of the indices' start levels) and below the upper autocall barrier (110.75% of the indices' start levels) on the 5 December 2017, the accrued coupon will terminate and the fund will receive the accrued coupon.

MONTHLY NAV AND YTD PERFORMANCE FIGURES

Date	30-Jan	28-Feb	31-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													

SCENARIO ANALYSIS

The analysis below is an estimate of what would happen to the price of the fund if all the indices that the fund has exposure to 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	-20%	-10%	+10%
Change in immediate fund	-5.89%	-2.21%	0.57%