

The Smartfund 80% Protected range

Protecting your future wealth

Not everyone is able or wants to ride the waves of the equity markets

The Smartfund 80% Protected range offers an alternative strategy for clients who want access to the upside potential of equity markets but either don't want to take risks with their capital or have reached a point in life, like retirement, where they cannot afford to.

The Funds' investment engine is managed by Smart^{im}. The team has an established track record of actively managing multi-asset portfolios and has attracted over £245*¹ million of assets into a range of risk-graded multi-asset portfolios and funds since launch in January 2014.

The protection component for the range is supplied by Morgan Stanley. Morgan Stanley's UCITs IV regulated platform, FundLogic SAS, operates the funds and is the Investment Manager. The protection element is delivered using an innovative option-based approach which allows the fund to avoid the 'cash locking experience' of traditional Constant Proportion Portfolio Insurance (CPPI) strategies*². Additionally, the Funds employ a variety of mechanisms designed to control the costs of protection so clients can benefit from better risk-adjusted returns without experiencing eroded performance as a result of unnecessary protection costs.

*¹ As at 30 June 2017

*² A Constant proportion portfolio insurance (CPPI) is a trading strategy that allows an investor to maintain an exposure to the upside potential of a risky asset while providing a capital guarantee against downside risk.

Key reasons to invest in the Smartfund 80% Protected Range

An opportunity for growth: Each Fund invests in a carefully constructed blend of different asset classes that can include equities, bonds, property, commodities, foreign exchange, alternative investments and cash.

Locks in profits: The Funds are designed to protect against the share price falling below a certain level. As the share price increases, the protected price also increases. This means that from launch investors in the Funds benefit from a continuous level of protection of 80% of the highest ever fund value.

Daily liquidity: You can buy or sell your investment on a daily basis. There is no fixed period or penalties when you sell your investment.

Currency Fluctuation: You may experience fluctuations in value due to currency movements.

Peace of mind: The protection component of the Funds is provided by Morgan Stanley (MS), which has the following credit ratings*³

Ratings providers	Morgan Stanley credit rating
Fitch Ratings, Inc	A
Moody's Investors Service	A3
Standard & Poor's Ratings Services	A+

*³ Source: Morgan Stanley Senior Unsecured Ratings - Long-term debt and Rating Outlook for MS Parent at 30-April-2017.

One year performance - 31st March 2016 to 31st March 2017

	Protected Growth Fund	MSCI World* ⁴
Return	17.08%	15.43%
Volatility	11.05%	10.23%
Peak/Trough Drawdown	-5.69%	-7.42%



*⁴The MSCI World is a stock market index of 1,650 'world' stocks. The components can be found here. It is maintained by MSCI Inc., formerly Morgan Stanley Capital International, and is used as a common benchmark for 'world' or 'global' stock funds. Source: Smart Investment Management Limited and Lipper. All figures are total return in sterling.

How the protection works

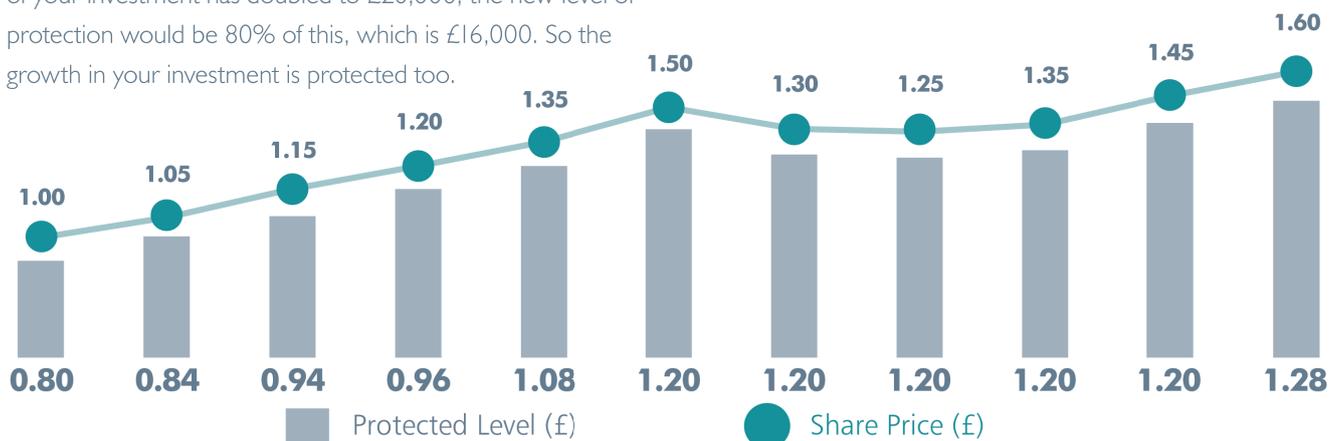
Any money you invest in the Smartfund 80% Protected range is immediately protected at a level of at least 80%. This means that the value of an initial £10,000 investment should never fall*¹ below £8,000.

But it doesn't stop there. As the value of the fund rises, the level of protection rises too, and will always be locked in at 80% of the highest share price the fund has reached, regardless of what happens in the future*.

For example, if you invest £10,000 and five years later the value of your investment has doubled to £20,000, the new level of protection would be 80% of this, which is £16,000. So the growth in your investment is protected too.

Afterwards, even if markets fell significantly and didn't recover for many years the value of your investment would not fall below £16,000*².

The chart below is an example of how your protection could rise over a period of time. Please note this is for illustrative purposes only. As the fund share price rises from £1 to £1.50, the protection rises from £0.80 to £1.20 (80% of the highest value). But when the fund falls, the protection is locked in at £1.20 until the share price exceeds £1.50 again. After that the protection climbs higher still.



This chart is for illustrative purposes only.

*¹Morgan Stanley provides the protection component of the Smartfund 80% Protected and acts as counter party to the fund, so if Morgan Stanley becomes insolvent, the protection component may fail.

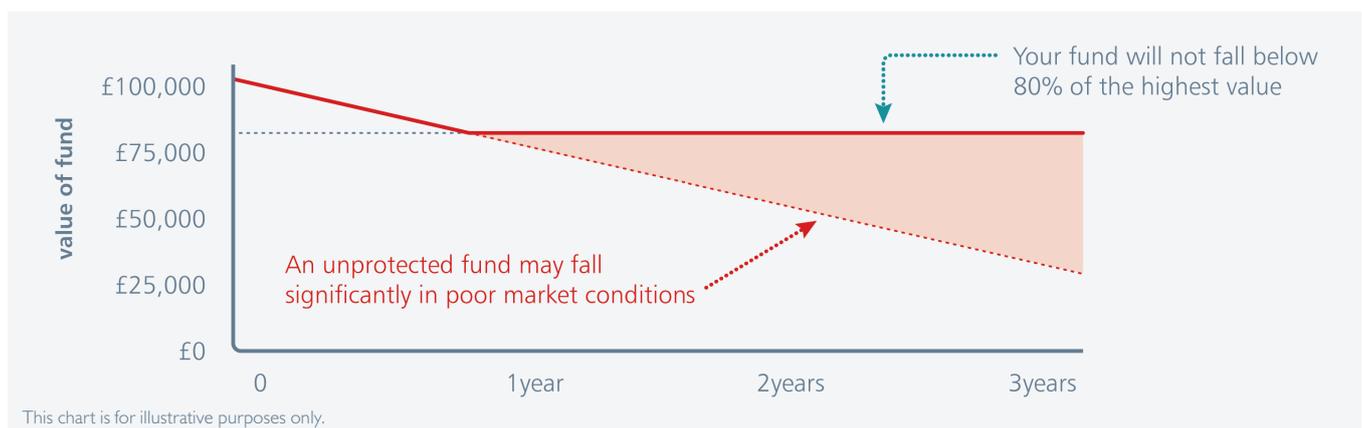
*²The protection applies to the unit price of the fund. The actual value of your investment will also be impacted by any income you take and any fees and charges.

The protection in action

Simon invests £100,000 into the Smartfund 80% Protected range, but the market has just reached a peak in value. Of course, Simon doesn't know that. Even professionals struggle to know when markets have peaked until they start falling. Unfortunately the markets fall significantly to the point where Simon's investment, if it were not protected, would be worth less than half of his initial £100,000. However, due to the 80%

protection Simon's investment would not fall below £80,000. This is still a fall, but much less than without protection.

Of course, real stockmarkets don't rise and fall in straight lines. Nevertheless, it's reassuring to know that, if markets fall, the protection will not fall below 80% of the highest ever fund value.



This chart is for illustrative purposes only.

FAQ's

Why is there a choice of Funds available within the Smartfund 80% Protected range?

You have a choice of two funds, depending on the level of risk you are prepared to take:

- Smartfund 80% Protected Balanced Fund
- Smartfund 80% Protected Growth Fund

Each fund has a specific risk profile and offers exposure to a blend of different asset classes. Whilst equities have historically generated the best long term returns, including other asset classes in a portfolio can reduce short-term volatility and generate better risk-adjusted returns for clients with a lower tolerance to risk.

All the Smartfund 80% Protected funds provide the additional benefit of 80% protection of the highest Net Asset Value (NAV) reached which further reduces the volatility you will experience. The combination of the actively managed risk graded portfolio and the protection should provide a significantly smoother investment journey.

When are the Funds priced?

The Funds are priced on a daily basis.

What is the annual management charge?

The fund has a charge of 1.95% which is included in the price of the fund.

If my circumstances change can I switch between funds?

Yes but you should speak to your financial adviser if your circumstances change.

Can I sell my fund at any time?

The funds offer daily dealing but you should speak to your financial adviser as the fund may be held within a wrapper that may have different terms of investment and conditions surrounding early redemption.

Risks

Subscriptions will only be received and shares issued on the basis of the current Prospectus for the Fund. Copies of the Prospectus can be obtained from the Fund's administrator Northern Trust International Fund Administration Services (Ireland) Limited, George's Court 54-62 Townsend Street, Dublin 2, Ireland, where the constitutional documents may be inspected, or from Praemium UK Ltd, 4th Floor, 643-659, Salisbury House, London Wall, London EC2M 5QQ.

The rights and duties of the investor as well as the legal relationship with the Company are laid down in the Prospectus. If you are in any doubt about the contents of this document, you should consult your stockbroker, bank manager, solicitor, accountant or an independent financial adviser.

Past performance is not a guide to future performance. The value of investments may fall as well as rise and you may not get back the full amount invested.

Further risk warnings can be found within the Full Prospectus and Funds addendum. Smart^{im} is the Global Distributor and the Sub Adviser for the Smartfund 80% Protected Fund range.

Important Information

THIS DOCUMENT IS FOR THE USE OF FINANCIAL ADVISERS AND INSTITUTIONAL/PROFESSIONAL INVESTORS ONLY AND SHOULD NOT BE RELIED UPON BY PRIVATE CLIENTS. SHOULD ANY POTENTIAL INVESTORS HAVE SIGHT OF THIS DOCUMENT THEY MUST NOT PLACE ANY RELIANCE UPON ITS CONTENT. IT DOES NOT CONSTITUTE ADVICE RELATING TO LEGAL, TAXATION, INVESTMENT OR ANY OTHER MATTERS AND THEREFORE ALL POTENTIAL INVESTORS ARE STRONGLY RECOMMENDED TO SEEK INDEPENDENT FINANCIAL ADVICE BEFORE INVESTING IN THIS FUND.

Potential investors are advised to read the full Prospectus dated 18 February 2014 together with its supplements dated 31 July 2015 before making an investment decision on whether or not to invest. The Funds are Sub-Funds of FundLogic Alternatives Plc, an umbrella investment company with variable capital and segregated liability between Sub-Funds incorporated on 28 April

2010, and is authorised in Ireland as an undertaking for collective investment in transferable securities pursuant to the European Communities with variable capital with registered number 483770. The Company is authorised in Ireland by the Central Bank of Ireland pursuant to the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations

2011 (S.I. No. 352 of 2011) as amended. This material is issued and approved by Praemium Administration Limited, which is authorised and regulated by the Financial Conduct Authority no. 463566. Praemium Administration Limited is a wholly owned subsidiary of Praemium Portfolio Services Limited, which is incorporated in England and Wales, CN05362168.

praemium

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