

MATRIX STRUCTURED PRODUCTS LIMITED

**ANNUAL REPORT AND
AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED
30 SEPTEMBER 2007**

MATRIX STRUCTURED PRODUCTS LIMITED

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MATRIX STRUCTURED PRODUCTS LIMITED

DIRECTORY

DIRECTORS

Bridget Guerin
Mike Kirby*
James Keyes*
*Independent Directors
All Directors are non-executive

REGISTERED OFFICE

Hemisphere House
9 Church Street
Hamilton
Bermuda

NOMINEE

Matrix Money Management Limited
One Jermyn Street
London SW1Y 4UH
England

LEGAL ADVISORS

As to Bermuda law:
Appleby
Canon's Court
22 Victoria Street
Hamilton HM12
Bermuda

RECEIVING AGENT AND REGISTRAR

Matrix Registrars Limited (Matrix Ascension Plans)
One Jermyn Street
London SW1Y 4UH
England

INVESTMENT MANAGER

For Matrix Horizon Closed End Fund:
Collingham Capital Management LLP
7 Curzon Street
London W1J 5HG
England

INVESTMENT MANAGER

For Matrix MAX Closed End Fund:
Maxam Capital Management LLC
16 Thorndal Circle
Darian
Connecticut 06820-5421
USA

MANAGER

Matrix (Bermuda) Limited
Canon's Court
22 Victoria Street
Hamilton HM12
Bermuda

ADMINISTRATOR

Citi Fund Services (Ireland), Limited
1 North Wall Quay
Dublin 1
Ireland

INDEPENDENT AUDITORS

PricewaterhouseCoopers
Chartered Accountants & Registered Auditors
One Spencer Dock
North Wall Quay
Dublin 1
Ireland

LISTING SPONSOR

Capita Financial Administrators (Jersey) Limited
12 Castle Street
St Helier
Jersey
Channel Islands
JE2 3RT

SEGREGATED ACCOUNTS REPRESENTATIVE

Appleby Management (Bermuda) Limited
Argyle House
41 A Cedar Avenue
Hamilton, HM 12
Bermuda

INVESTMENT MANAGER

**For Matrix Ascension Plan, Ascension Plan 2
and Ascension Plan 3:**
Winton Capital Management Limited
1-5 St Mary Abbot's Place
London W8 6LS
England

MATRIX STRUCTURED PRODUCTS LIMITED

DIRECTORS' REPORT

The Directors present their annual report together with the audited Financial Statements of the Company for the year ended 30 September 2007.

Activities, Business Review and Future Prospects

The Company was incorporated with limited liability in Bermuda on 20 April 2004 as a closed-ended investment company under The Companies Act 1981 and is registered as a segregated accounts company under The Segregated Accounts Companies Act 2000, with registered number EC#35209. A detailed review of the activities of the Company is set out in this report.

Results and Dividends

The results for the year are shown in the Statement of Operations on pages 22 and 23. The Directors declared no dividends during the year.

Directors

The Directors of the Company are set out on page 2.

Important Events During the Year

On 1 October 2006, the Company launched 2 new Funds; Matrix Ascension Plan 3 and Matrix MAX Closed End Fund.

Effective 1 August 2007, the Investment Services Division of The BISYS Group, Inc ("BISYS") was acquired by, and is now a wholly owned subsidiary of, Citibank N.A. As a result BISYS Fund Services (Ireland) Limited (the "Administrator"), changed its name to Citi Fund Services (Ireland), Limited.

Subsequent Events

On 1 November 2007, the Company launched a new Fund; Matrix Asset Based 2 Closed End Fund.

Statement of Directors' Responsibilities

The Directors are responsible for the preparation of the Financial Statements. In preparing those Financial Statements, the Directors:

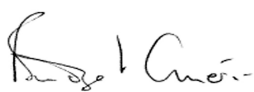
- Ensure that the Financial Statements comply with the By-Laws and International Financial Reporting Standards, as published by the International Accounting Standards Board;
- Select suitable accounting policies and then apply them consistently;
- Make judgements and estimates that are reasonable and prudent; and
- Prepare the Financial Statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping proper accounting records and for managing the Company in accordance with the Prospectus and the By-Laws. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud, error and non-compliance with law and regulations.

On behalf of the Directors



Director
17 January 2008



Director

MATRIX STRUCTURED PRODUCTS LIMITED

INVESTMENT MANAGERS' REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2007 MATRIX ASCENSION PLAN, ASCENSION PLAN 2 AND ASCENSION PLAN 3

The Matrix Ascension Plans aim to provide a high return and to lower portfolio risk by benefiting from the returns of the Winton Trading Strategies Fund with the additional benefit of capital protection if shares are held until the relevant maturity dates.

The Winton Trading Strategies Fund is managed by Winton Capital Management (“Winton”) whose founding principle is the belief that robust statistical research provides the richest and most reliable source of information on market behaviour. As a result, research constitutes the largest area of investment in the company.

To pursue its belief that a profitable edge can be established by advanced intellectual research and study, Winton set up a research “campus” in the Oxford Science Park in 2005 and added another research facility in West London in July 2007. As at the end of September 2007 Winton managed in excess of US\$10 billion and had approximately 140 employees over half of which are dedicated to research and development.

2006 saw the introduction of the algorithmic execution platform which continues to expand rapidly with additional markets and exchanges being added and new and more sophisticated algorithms being developed. As a result, approximately 75% of trades are now traded algorithmically.

Winton Trading Strategies Fund Percentage Performance:

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2004							0.59	1.97	3.61	2.80	5.50	-1.81	13.16
2005	-3.71	5.08	4.43	-3.86	7.30	2.96	-3.25	6.95	-6.40	-3.18	6.75	-4.43	7.36
2006	2.81	-2.62	3.55	4.33	-3.42	-1.57	-0.70	4.55	-1.50	1.22	2.66	1.79	11.23
2007	4.26	-6.14	-4.39	5.84	4.9	1.69	-1.54	-0.91	6.79				10.27

2006 ended on a positive note with October, November and December all posting positive returns. The continuing strength of the equity markets was one of the central themes for October. US stock indices reached record levels as a string of solid earnings reports, coupled with rising confidence in the US Federal Reserve’s (the “Fed”) future actions, reassured investors. A similarly bullish month was enjoyed by the base metal sector, in particular in the zinc and lead markets. In November strong gains were recorded in currencies, as the US Dollar weakened, and in the equity sector. The equities sector again posted strong returns in December as their year long rally continued. Other strong performers were the energy and currency sectors whilst fixed income posted the largest loss as treasury prices reversed. Overall a modest positive return was achieved in December resulting in a 4th quarter return of 5.77%.

2007 began on a positive note with the rise in US equity markets and the decline in crude oil prices leading to significant gains in January. February suffered a loss as the steady gains made throughout the month in equities and short term rates were erased in several volatile trading sessions towards the end of the month. A sharp drop in the Chinese stock market sparked a sell-off in global equities which fed through into the fixed income markets. The losses continued into the month of March as high levels of market volatility together with increased correlation across asset classes at the end of February continued into the first few days of March.

MATRIX STRUCTURED PRODUCTS LIMITED

INVESTMENT MANAGERS' REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2007 MATRIX ASCENSION PLAN, ASCENSION PLAN 2 AND ASCENSION PLAN 3

In April 2007 the continued recovery in global equity markets, coupled with the strength in both Euro and Sterling currencies were the main drivers behind the month's strong performance. In May, equity markets continued to rally as a combination of Merger and Acquisition ("M&A") activity and a growing appetite for risk led to an increased demand for stocks across the globe. This fed through into the fixed income markets as bonds sold off and short term interest rate expectations increased in both the US and Europe, both sectors contributing well to the overall positive performance for May. Market volatility increased in June, leading to strong returns in the currency markets as the Euro and British Pound in particular continued to strengthen against the Dollar. Strong returns were also posted in the fixed income markets as both short and long term interest rate expectations rose.

The small loss posted in July was largely attributable to the stock indices and short term interest rate sectors as investors began scaling back risk appetite. In August, currency markets endured significant volatility, with the New Zealand Dollar ("NZD") and the Australian Dollar ("AUD") in particular coming under severe pressure. As a result, currencies posted the biggest loss for the month. This was partially offset by strong gains in fixed income as investors re-assessed the knock on effects of continuing trouble in the credit markets. September posted strong profits as the continued weakness in the Dollar led to gains in currencies. Similar outperformance was seen in the grain markets, where government crop reports highlighting global supply constraints supported rising commodity prices.

Winton Capital Management
November 2007

MATRIX STRUCTURED PRODUCTS LIMITED

INVESTMENT MANAGERS' REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2007 MATRIX HORIZON CLOSED END FUND

The Matrix Horizon Closed End Fund invests exclusively in the Retail Sterling Share Class of the Matrix Horizon Fund. During the period October 2006 to September 2007 the Matrix Horizon Closed End Fund shares returned 11.12% net. The Horizon Fund is managed by Collingham Capital Management and aims to achieve consistently high annual returns with low volatility.

Market Review

We entered 2007 with the expectation that net returns would be around 1% per month on average. We have so far exceeded this expectation, 2007 is the best year since 1999 for the Collingham Investment Fund ("CIF").

During 2006 we made changes to the portfolio in order to reduce our reliance on the more volatile, directional funds in favour of more predictable, event driven and market neutral funds. This paid off very well when equity markets had a decent sized correction at the end of February and into the middle of March. During this sell off the CIF did not turn negative at any point, the event driven and market neutral strategies were able to produce Alpha related returns which more than offset the losses from the funds which were suffering from mark to market losses in the directional bucket. The pleasing thing is that once the markets corrected sharply half way through March, all strategies were able to produce positive returns and therefore we had a strong month of 1.61%. This small period gave us confidence that the portfolio is structured in such a way that it can benefit from rising markets, whilst also producing positive returns in a negative period.

The second half of 2007 is proving to be a lot more challenging than the first. The US sub-prime mortgage contagion began spreading to the broader equity and credit markets.

Due to the more balanced nature of our portfolio the fund was able to withstand these downturns in both equity and credit markets and posted positive returns for both June and July. August however, is likely to be the worst month for hedge funds since the LTCM crisis of August 1998. There has been a massive de-leveraging and risk reduction process by all financial institutions including hedge funds. It has required the significant intervention of the major central banks, particularly the European Central Bank ("ECB") and the US Federal Reserve (the "Fed"). They have been required to inject massive amounts of short term liquidity into the system in order to prevent a collapse of the banking system. This was demonstrated by US 3 month T-bill yields plunging from around 5% down to 2% as people sought the safe haven of government debt at any price.

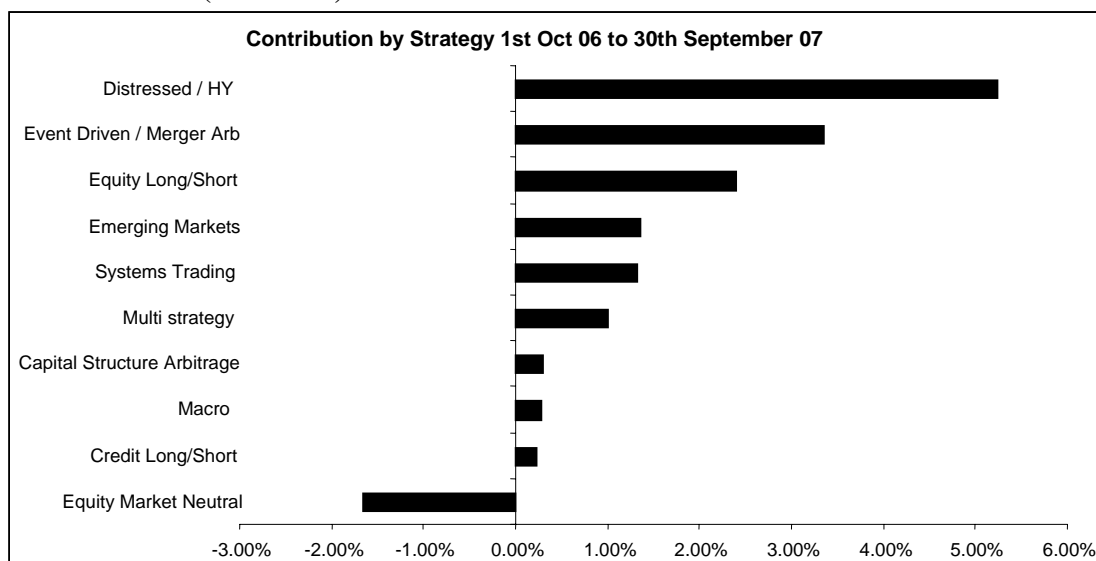
Although we posted a negative number in August of -2.21%, the opportunity set for hedge funds has rarely been as exciting. Individual securities are currently not being priced according to their fundamentals, but simply according to the technicals of the market. In many cases, the better the asset in terms of valuation and liquidity, the cheaper it is, as this is the first place hedge funds have been able to raise cash.

The opportunity that was created during August was realised during September and then particularly in October.

MATRIX STRUCTURED PRODUCTS LIMITED

INVESTMENT MANAGERS' REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2007 MATRIX HORIZON CLOSED END FUND

Market Review (continued)



Review of the Fund's core underlying strategies (with contribution in brackets)

Event Driven: Merger Arbitrage & Distressed / High Yield

Event Driven – Merger Arbitrage (+335bps)

This was definitely a game of two halves. At the beginning of the reporting period the environment for this strategy was very favourable. Corporate balance sheets were in great shape, interest rates were stable and historically low and credit was the easiest it had been for years. It was easy for Private Equity firms to access loans from the capital markets and banks were falling over themselves to lend them money. This saw a huge increase in Private Equity related activity with the number and size of deals eclipsing those from the previous period. Our managers were able to take advantage of this situation by selecting the companies that were most likely to be the focus of Private Equity attention and hedging the market exposure where appropriate to leave them immune to the volatility in months like February 2007. Returns were excellent in the first eight months of the period. However, things turned around pretty abruptly in June 2007. The credit crunch that was ignited by the problems in sub-prime meant that the easy credit that is essential for these transactions would not be available in the future. There was some respite in September, but in what were supposed to be the “summer months” we saw negative returns in this strategy.

Distressed High Yield (+524bps)

Sub-prime was the most important factor in this strategy for the entire period. In the earlier part of the period we enjoyed some profits from managers making money in some workout situations. January saw an increase in defaults which boded well for the strategy in the months to come but it was the sub-prime fallout that began in January that really set the tone for the rest of the period. We would like to quote from February's newsletter to show how we benefited from this one off market event.

“The Fund's 3rd largest holding was up over 8% as it made money on all sides of its portfolio. The breakdown of this 8% was roughly 2% from longs, 1% from shorts and a further 5% from a macro hedge in the US sub-prime market. The manager of the Fund took the decision in the latter part of 2006, that buying protection on (akin to shorting) the weakest part of the US housing market was the best risk/reward

MATRIX STRUCTURED PRODUCTS LIMITED

INVESTMENT MANAGERS' REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2007 MATRIX HORIZON CLOSED END FUND

Review of the Fund's core underlying strategies (with contribution in brackets)

Distressed High Yield (+524bps) (continued)

way to protect the portfolio from a shock in the credit market. If you think of this in bond terms, they shorted a bond in the mid 90's that traded down to the low 70's in a matter of weeks. They and other market participants believe the ultimate valuation of these bonds is zero. Therefore there is still much more upside from this trade (albeit with increased volatility).”

Our decision to invest in funds that generate their returns from both long and short positions paid off for the rest of the period as the spreads on High Yield credit widened in a volatile and unpredictable fashion. The large issuance in CCC and B issuers bodes well for the sector in the future as a good deal of these companies will get into trouble and become distressed.

Emerging Markets (+135bps)

Emerging Markets rallied sharply in the period from October 2006 to September 2007, which saw the MSCI Emerging Markets index returning 54.8%. With emerging markets showing signs of a decoupling from developed markets, and their long-run fundamental story still compelling, we believe emerging market equities are likely to rally further. However they are still prone to severe corrections, which we witnessed in August 2007. From peak to trough, the MSCI World Emerging Markets index fell 14% mid-month, before recovering to end the month down 2%. Currencies followed suit, with the Brazilian Real – a popular carry trade currency – had at one point depreciated 8% against the US Dollar, before ending the month down 4%.

Throughout the period from October 2006 to September 2007, we had a relatively conservative allocation to this strategy, with our emerging market funds contributing +135bps. It is difficult to find alpha-producing managers which are able to avoid the swift and extreme corrections that occur. In spite of this, as of the beginning of October 2007, we have increased our exposure to this strategy by selecting two additional funds that have a proven edge in being able to correctly identify fundamental industry trends while actively managing risk.

Equity Long Short (+241bps)

Despite widespread volatility in global equity markets, our equity funds returned +241bps over the period from October 2006 to September 2007. This was mostly due to the wide dispersion of cross-sectional returns across regions and sectors, as well as the positive contribution of sector specialist funds that demonstrated their ability to generate alpha despite tough market conditions. This was partially offset by our exposure to funds that have a built-in value vs growth bias, thus suffered from the outperformance of higher Beta stocks at the expense of quality stocks. Our equity market neutral funds suffered as a consequence, generating negative returns of 166bps over the period of October 2006 to September 2007.

We saw an extreme example of this occur in August 2007, when stock moves were largely driven by quantitative fund liquidations rather than as a reflection of fundamental news flow. Our efforts remain focused on selecting managers that we believe can generate alpha in fundamentally driven equity markets, rather than relying on being able to call short term market movements.

Global Macro and Systems trading (+160bps)

This period was a challenging environment for fundamental macro managers as the fundamentals were out of line with market movements and in July 2007 we redeemed from our last macro fund.

We continued to be invested in systematic trading funds as they have the advantage over fundamental macro funds as they let the price action within the markets decide their positioning and can ignore the

MATRIX STRUCTURED PRODUCTS LIMITED

INVESTMENT MANAGERS' REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2007 MATRIX HORIZON CLOSED END FUND

Review of the Fund's core underlying strategies (with contribution in brackets)

Global Macro and Systems trading (+160bps) (continued)

mismatch between valuations and prices. This explains why these funds are able to benefit from the current trends which fundamental managers are not involved in.

Multi-strategy (+101bps)

We have increased our exposure to this strategy from 1.39% in October 2006 to 16.21% in September 2007. We are particularly excited by our exposure to Asia, which we believe gives us an opportunity to benefit from the Asian story whilst offering protection when the corrections occur (which they do with severity in this region).

We benefited specifically from the continued volatility in the Asian markets. We are invested in funds which are designed to capture the up movements in Asian markets but which also remain heavily protected on the downside. This is demonstrated by small losses in August, coupled with big gains in September. We remain very positive about this strategy for the coming few months and have increased our exposure going into October 2007.

Credit Long/short & Capital Structure Arbitrage (+53bps)

During the reporting period we increased our exposure to credit long/short & capital structure arbitrage from 0% to 9.20% in September 2007 as we believed the funds in this strategy were positioned to benefit from a widening in the spreads between senior debt and junior debt within the US High Yield market. The funds within this strategy are designed to capture the eventual differentiation between good credits and bad ones. The credit funds we hold performed admirably over a very difficult summer. They were able to be either flat or only marginally negative during the violent sell off during June and July, and then were able to make the most of the rebound in prices in the second half of August and in the month of September. We still feel there is more to come from this strategy as all credits were marked down during the summer, irrespective of the company fundamentals. As order is restored we would expect good credits to outperform poor ones, therefore leading to gains for the funds we own.

Equity Market Neutral (-166bps)

This strategy was the one that grabbed the headlines in July and August with the Goldman Sachs GEO fund exhibiting 33% losses in a matter of days. It is worth looking at the chain of events that led to these exceptional negative returns.

Equity market neutral funds are funds that will typically have positions in as many as a thousand stocks and aim to be sector and market neutral generating returns from valuation discrepancies in the market. These stocks are usually the largest and most liquid. The period until June 2007 saw a significant fall in volatility, the market had climbed slowly and the VIX (the measure of US equity volatility) had fallen to 10 which was a historical low. (In August it quickly traded up to 30 which was the highest level since March 2003.) The low level of volatility meant that to generate returns from this strategy a higher level of leverage had to be used. As a result of the decreased volatility in the markets the value at risk in the portfolios remained at the same levels despite the increased leverage. Then sub-prime started to affect some multi-strategy hedge funds that had exposure to the US mortgage debacle. These funds had to reduce their positions due to losses, redemptions and banks reducing the leverage they allowed them. They had to sell what they could – the most liquid securities they had were in the equity market neutral portion of their portfolios. Equity market neutral funds saw some of their longs being sold in the market and some of their shorts being bought – the resultant price movements led to a mark to market loss that forced these equity market neutral funds to start unwinding their positions.

MATRIX STRUCTURED PRODUCTS LIMITED

INVESTMENT MANAGERS' REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2007 MATRIX HORIZON CLOSED END FUND

Review of the Fund's core underlying strategies (with contribution in brackets)

Equity Market Neutral (-166bps) (continued)

A vicious circle followed that saw many funds chalk up some serious losses in a matter of days. It is important to note that August 2007 is considered by market experts to be the worst crisis to hit the hedge fund history since the LTCM crisis in 1998 – the market is many times the size it was back in 1998 so the effects could have been much larger with 19 out of 20 strategies posting negative returns for the month.

However, the industry benefited both from the Fed rate cuts and the dislocations that the August volatility had created. September and October were great months for hedge fund returns but equity market neutral will be a strategy that will struggle for some time with redemptions expected in both December and March that may cause further dislocations.

Outlook

Looking forward, we expect that equity markets will finish 2007 in very small positive territory. However, as we are likely to be closer to the end of the rally that began in 2003, the market remains vulnerable to short term corrections caused by economic uncertainty, geo political issues or profit taking.

The factors that were extremely supportive of the current M&A boom are coming to an end. With the complete withdrawal of the CLO (Collateralised Loan Obligation) there is a lack of low cost funding provided to Private Equity houses. Therefore we are reducing our heavy weighting towards the event driven / merger arbitrage strategy. The directional bucket consists mostly of equity long/short funds, but these funds have demonstrable alpha and lower betas than the average fund of this kind. We have reduced our exposure to CTAs and fundamental macro funds, as these funds have a highly unpredictable return pattern. We like credit funds which are truly long/short and are able to position themselves with some positive carry, but will also make money when individual credits deteriorate or the wider market sells off (which is likely to happen at some point).

Equities have fallen sharply so far in November (S&P down 6.2%), led principally by the investment banking sector which saw several high profile CEO departures. The weakness in investment banking stocks is largely down to continued uncertainty over the true financial impact from the sub-prime fall out, as well as the prospect of lower fee income due to subdued M&A activity. Given its large market weighting, the financials sector is likely to remain a negative influence on equity markets in near term, until investors gain confidence that the bad news relating to sub-prime has been fully understood and disclosed.

We continue to believe that the current environment looks very good for hedge funds, especially versus any long only alternative. The price action in November demonstrates how quickly long only returns can be given back. As a Fund of Funds we have the ability to adapt to any given market environment and the portfolio is continually adjusted to achieve this.

Volatile markets are in general good for hedge funds, although these may lead to short term losses. In the longer term the opportunity set is vastly increased by sustained volatility in the equity, bond, credit and FX markets.

We continue to expect the portfolio to deliver around 1% per month, however, as volatility in the markets increase it is likely that the volatility of our returns may also increase a little.

Collingham Capital Management
November 2007

MATRIX STRUCTURED PRODUCTS LIMITED

INVESTMENT MANAGERS' REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2007 MATRIX MAX CLOSED END FUND

The Matrix MAX Closed End Fund invests exclusively in the Retail Sterling Share Class of the Matrix MAX Fund. The performance of the Matrix MAX Closed End Fund from launch on 1 October 2006 to 30 September 2007 was 12.13%. The Matrix MAX Fund into which the Matrix MAX Closed End Fund invests is managed by MAXAM Capital Management and aims to provide high returns over a market cycle by investing in a range of absolute return funds that seek to generate positive monthly returns.

Market Review

Healthy market returns towards the end of 2006 contradicted the scepticism and skittishness that prevailed among investors earlier in the year, when investors fled higher risk investments amid fears of inflation. However, just as quickly as investors pulled out, they stormed back during the fourth quarter as the US equity markets made more than half of the year's gains in the last three months of 2006.

The stock market was no place for timid investors in the first quarter of 2007. The market began the year on a positive trajectory only to reverse course in mid-February, as the S&P 500 declined almost 6% from 20 February 2007 to 5 March 2007, testing investors' mettle for the first time since the brief sell-off in the summer of 2006. While January's performance was positive, the sell-off started in February with a sharp correction in China that was followed by selling around the world. This sparked worries in the US and investors scrambled to reduce risk. Concerns swirled regarding Chinese economic growth, the US sub-prime mortgage market, potential dislocations caused by the unwinding of the "yen carry trade", and former Federal Reserve's ("Fed") Chairman Alan Greenspan's assessment of the likelihood of a US recession. In March, the markets gained back some of their losses as investors believed the Fed had changed its hawkish views. The S&P 500 recovered and closed with a gain of 0.64% for the quarter, while the tech-laden NASDAQ advanced 0.26%.

Despite the increased volatility caused by climbing bond yields, escalating problems in the US housing market and rising oil prices, the stock market charged ahead to a strong finish in the second quarter of 2007. The strong flow of private equity acquisitions, a pickup in manufacturing activity and signs that inflation has moderated provided a much-needed boost to the stock market. Energy, information technology and industrial stocks led the performance for the second quarter.

Although many world markets ended the third quarter of 2007 in positive territory, it was a turbulent ride along the way, including a dive in August, when credit woes drove major indices more than 9% off records set in July. Oil prices hit a record high, and continue to do so, and the dollar hit a low against the Euro. The Fed helped the equity markets in September with a half-percentage-point cut in both the Fed Funds and discount rates, sending a signal to the global financial markets that it stands ready to provide liquidity to the credit markets and lessen the economic fallout of the housing market to the US economy. However, despite the final positive outcome, the dominant theme throughout the third quarter of 2007 was the housing meltdown and sub-prime crisis which impacted almost all markets in some way or another. The credit markets seized up, good borrowers could not obtain credit and the ensuing credit crunch threatened to derail the economy. The August stock market correction, responding to concerns regarding the economy, was sudden and concentrated. Hardest hit were the financial and consumer discretionary sectors, small cap and value stocks.

Review of Performance against the Objective

The Matrix MAX Fund (the "Fund"), while not immune to the challenges the markets presented in the past twelve months, was successfully able to weather the market volatility we saw in the period ended 30 September 2007. The Fund is invested in a fully diversified multi-manager, multi-strategy hedge fund of funds utilising some of the premier names in the hedge fund industry, many of which are closed to new investors. The Fund effectively met our objective of providing consistent positive returns during the period.

MATRIX STRUCTURED PRODUCTS LIMITED

INVESTMENT MANAGERS' REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2007 MATRIX MAX CLOSED END FUND

Review of Performance against the Objective (continued)

We continue to proceed with cautious optimism, confident that the portfolio we have constructed will be able to withstand the torrent turns of the market we have seen thus far in 2007 and are likely to continue to see in the near future.

Review of Strategies Used

All of the strategies in which the Fund invests posted positive gains for the twelve months ending September 30. Leading the gains for Fund throughout the period was our exposure to the emerging markets sector. Our allocation to diverse strategies through the *MAXAM Eureka Hedge Emerging Market Index* and with specific regional allocations through *Value Partners Classic Fund* allowed us to participate in the upside, without exposing the Fund to the excess volatility from a single manager or strategy in these diverse markets.

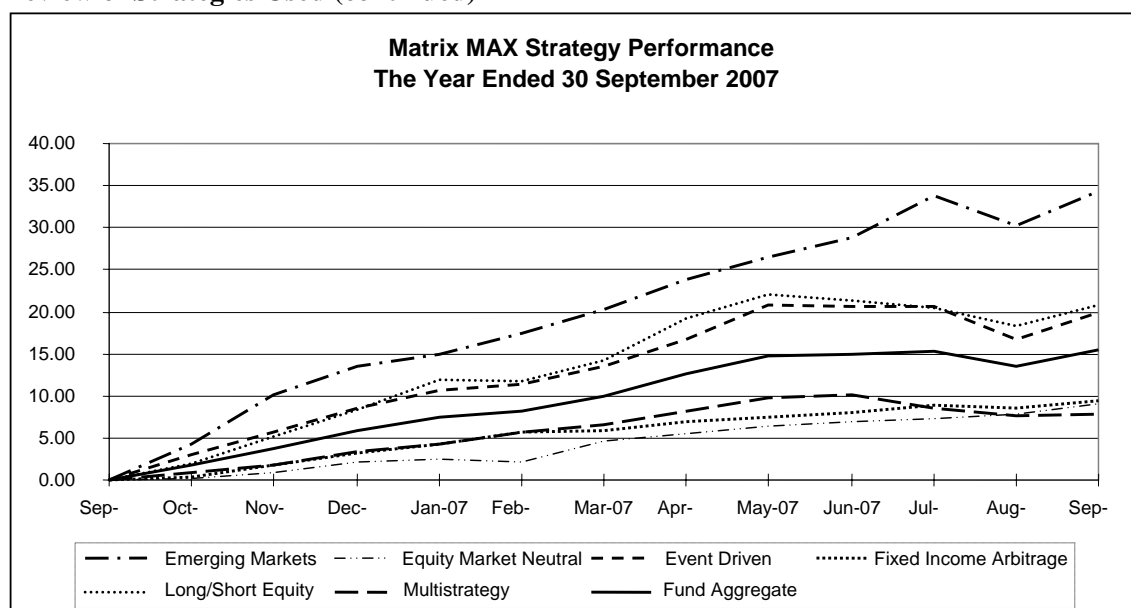
The Fund's event driven managers picked up in 2007 where they left off in 2006. Strong returns came across the board, as exposure to event driven strategies led to robust absolute returns during the first nine months of the period. The strategy also benefited from global new issuances in the first quarter, and was later negatively impacted by flat credit spreads. Managers that predominantly trade volatility fared slightly better due to increased intra-quarter volatility, although the overall level of volatility remained low. All of the Fund's event driven managers posted solid, positive returns in the twelve month period. During the second quarter, we added *King Street Capital, Ltd*, which applies a fundamental and research-intensive approach to investing, where downside risk assessment is central. Their focus is on long/short credit and event-driven opportunities, including distressed, stressed and out-of-favour situations, shorting of investment grade and high yield debt, capital structure trades, special situations involving spin-offs, litigation plays or other events, and deep value situations where they believe there is a particular catalyst that will unlock that value. King Street invests on a global basis, with an emphasis on the US. The manager will examine all aspects of a company's capital structure to maximise risk/reward opportunities. King Street was founded in 1995 and presently manages over \$9 billion in assets. In keeping with the objective of the Matrix MAX Fund to offer investors exposure to difficult to access managers, King Street Capital is currently closed to outside investors. Likewise, our multi-strategy managers are not currently accepting new subscribers and delivered consistent performance while opportunistically investing in all facets of the capital and equity structures.

Our equity market neutral manager was also able to provide consistent returns. Quantitative-based and statistical arbitrage managers' performance was mixed throughout the period, as they were negatively impacted by short-term momentum flows in the fourth quarter of 2006 and the meltdown in the credit market late in the period. Fundamental-based managers produced consistent results, as they increased the beta exposure of their portfolios to take advantage of the strong equity market direction.

MATRIX STRUCTURED PRODUCTS LIMITED

INVESTMENT MANAGERS' REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2007 MATRIX MAX CLOSED END FUND

Review of Strategies Used (continued)



Results were mixed throughout the period for our fixed income arbitrage managers, as some managers were able to generate significant profits through short positions in sub-prime mortgage related securities in the first quarter, and were hurt later in the period by rising interest rates, fuelled by strong economic activity, inflationary pressures and growing expectations that the Federal Reserve would not ease rates. Further, risk aversion arising from sub-prime fears caused spreads in credit products to widen. The Fund's two managers in this strategy, *Andromeda Global Credit Fund* and *SageCrest Fund Ltd* both produced respectable, positive returns, despite the volatile markets during the period.

Our long/short equity managers benefited from the tremendous liquidity available in the world markets in the first three quarters of the period. On the negative side, the record level of LBO activity has made it increasingly difficult for managers to short individual companies. The markets struggled with the economic outlook and its potential impact on profits and valuations in the third quarter of 2007. The Matrix MAX managers were able to overcome poor August results and benefited from the September rally. They prospered from the solid energy and technology sectors, while Japanese equities continued to struggle. Led by our exposure to Europe through *Global Opportunities Capital* and our global equity exposure from *Arience Capital Offshore* and *RAB Special Situations Fund*, the MAX Fund participated in the burgeoning world-wide equity markets.

Outlook for the Fourth Quarter 2007

The Fund's seasoned managers are not immune to the current sell-off in global equities and credit spread widening. The Fund will continue to be subject to mark-to-market risks; however, it was structured such that the benefits of diversification, across asset class and geography, would help preserve capital in such volatile periods. The Portfolio currently does not have any material long sub-prime exposures; however a number of the underlying managers have been short sub-prime related indices, equities and credits. These shorts have helped preserve performance during this heightened period of risk reduction.

While discomfoting in the short term, the Fund manager believes that the current markets will eventually offer attractive opportunities, which the Matrix MAX Fund is well positioned to take advantage of. Unlike recent bouts of volatility in the global markets, this correction has further to unfold. The markets will remain

MATRIX STRUCTURED PRODUCTS LIMITED

**INVESTMENT MANAGERS' REPORT
FOR THE YEAR ENDED 30 SEPTEMBER 2007
MATRIX MAX CLOSED END FUND**

Outlook for the Fourth Quarter 2007 (continued)

relatively illiquid, however, the underlying managers in the Fund have the skill set, infrastructure and/or available financing to evaluate, purchase and manage these recently distressed investments.

Even in such a difficult environment, we contend that a carefully constructed, fully diversified portfolio of hedge funds, emphasising non-directional strategies, and in developed economic regions with appropriate exposure to emerging economies, will enable us to participate in positive returns while limiting loss potential.

MAXAM Capital Management LLC

November 2007

MATRIX STRUCTURED PRODUCTS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF MATRIX STRUCTURED PRODUCTS LIMITED

To the Shareholders of Matrix Structured Products Limited

We have audited the accompanying financial statements of Matrix Structured Products Limited (the "Company") which comprise the Statement of Net Assets Attributable to Redeemable Participating Ordinary Shareholders as at 30 September 2007 and the Statement of Operations, Statement of Changes in Net Assets Attributable to Redeemable Participating Ordinary Shareholders and Statement of Cash Flows for the year then ended and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

This report, including the opinion, has been prepared for and only for the company's members as a body and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Opinion

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of 30 September 2007, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

MATRIX STRUCTURED PRODUCTS LIMITED

**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF
MATRIX STRUCTURED PRODUCTS LIMITED**

Opinion (continued)

Without qualifying our opinion we draw your attention to note 2 in the financial statements. The Company invests in a number of OTC options whose fair value is determined by the option counterparty, BNP Paribas. Due to the inherent uncertainty of valuation, estimated values may differ from the values that would have been used had a ready market for the OTC options existed and such differences could be material.



PricewaterhouseCoopers
Chartered Accountants
Dublin
17 January 2008

MATRIX STRUCTURED PRODUCTS LIMITED

MATRIX ASCENSION PLAN

SCHEDULE OF INVESTMENTS AS AT 30 SEPTEMBER 2007

Holding	Financial Assets	Fair Value	% of Net
		£	Asset Value
	Call option		
12,391,241	BNP Paribas OP440PN Option 30/06/2011	15,506,399	100.00
	Total Financial Assets	15,506,399	100.00
	Other Net Assets	-	-
	Total Net Assets	15,506,399	100.00

SCHEDULE OF INVESTMENTS AS AT 30 SEPTEMBER 2006

Holding	Financial Assets	Fair Value	% of Net
		£	Asset Value
	Call option		
12,391,241	BNP Paribas OP440PN Option 30/06/2011	13,920,320	100.00
	Total Financial Assets	13,920,320	100.00
	Other Net Assets	-	-
	Total Net Assets	13,920,320	100.00

MATRIX ASCENSION PLAN 2

SCHEDULE OF INVESTMENTS AS AT 30 SEPTEMBER 2007

Holding	Financial Assets	Fair Value	% of Net
		£	Asset Value
	Call option		
8,849,258	BNP Paribas OP480PN Option 08/11/2011	10,145,674	100.00
	Total Financial Assets	10,145,674	100.00
	Other Net Assets	-	-
	Total Net Assets	10,145,674	100.00

SCHEDULE OF INVESTMENTS AS AT 30 SEPTEMBER 2006

Holding	Financial Assets	Fair Value	% of Net
		£	Asset Value
	Call option		
8,849,258	BNP Paribas OP480PN Option 08/11/2011	9,267,828	100.00
	Total Financial Assets	9,267,828	100.00
	Other Net Assets	-	-
	Total Net Assets	9,267,828	100.00

MATRIX ASCENSION PLAN 3

SCHEDULE OF INVESTMENTS AS AT 30 SEPTEMBER 2007

Holding	Financial Assets	Fair Value	% of Net
		£	Asset Value
	Call option		
3,601,140	BNP Paribas SI590 Option 30/09/2011	3,578,093	100.00
	Total Financial Assets	3,578,093	100.00
	Other Net Assets	-	-
	Total Net Assets	3,578,093	100.00

MATRIX STRUCTURED PRODUCTS LIMITED

**MATRIX HORIZON CLOSED END FUND
SCHEDULE OF INVESTMENTS AS AT 30 SEPTEMBER 2007**

Holding	Financial Assets	Fair Value £	% of Net Asset Value
	Matrix Horizon Fund		
14,206,377	Matrix Horizon Fund – Retail Sterling Shares	20,352,056	99.86
	Total Financial Assets	20,352,056	99.86
	Other Net Assets	29,371	0.14
	Total Net Assets	20,381,427	100.00

SCHEDULE OF INVESTMENTS AS AT 30 SEPTEMBER 2006

Holding	Financial Assets	Fair Value £	% of Net Asset Value
	Matrix Horizon Fund		
11,272,686	Matrix Horizon Fund – Retail Sterling Shares	14,521,699	99.97
	Total Financial Assets	14,521,699	99.97
	Other Net Assets	3,757	0.03
	Total Net Assets	14,525,456	100.00

MATRIX MAX CLOSED END FUND

SCHEDULE OF INVESTMENTS AS AT 30 SEPTEMBER 2007

Holding	Financial Assets	Fair Value £	% of Net Asset Value
	Matrix MAX Fund		
7,843,647	Matrix MAX Fund – Retail Sterling Shares	8,840,575	99.76
	Total Financial Assets	8,840,575	99.76
	Other Net Assets	21,386	0.24
	Total Net Assets	8,861,961	100.00

MATRIX STRUCTURED PRODUCTS LIMITED

**MATRIX ASCENSION PLAN
SCHEDULE OF PORTFOLIO CHANGES
FOR THE YEAR ENDED 30 SEPTEMBER 2007
(unaudited)**

Financial Assets	Purchased	Sold
BNP Paribas OP440PN Option 30/06/2011	-	-

**MATRIX ASCENSION PLAN 2
SCHEDULE OF PORTFOLIO CHANGES
FOR THE YEAR ENDED 30 SEPTEMBER 2007
(unaudited)**

Financial Assets	Purchased	Sold
BNP Paribas OP480PN Option 08/11/2011	-	-

**MATRIX ASCENSION PLAN 3
SCHEDULE OF PORTFOLIO CHANGES
FOR THE YEAR ENDED 30 SEPTEMBER 2007
(unaudited)**

Financial Assets	Purchased	Sold
BNP Paribas SI590 Option 30/09/2011	3,601,140	-

**MATRIX HORIZON CLOSED END FUND
SCHEDULE OF PORTFOLIO CHANGES
FOR THE YEAR ENDED 30 SEPTEMBER 2007
(unaudited)**

Financial Assets	No of Shares Purchased	No of Shares Sold
Matrix Horizon Fund – Retail Sterling Shares	3,998,290	1,064,599

**MATRIX MAX CLOSED END FUND
SCHEDULE OF PORTFOLIO CHANGES
FOR THE YEAR ENDED 30 SEPTEMBER 2007
(unaudited)**

Financial Assets	No of Shares Purchased	No of Shares Sold
Matrix MAX Fund – Retail Sterling Shares	7,862,959	19,312

MATRIX STRUCTURED PRODUCTS LIMITED
STATEMENT OF NET ASSETS ATTRIBUTABLE TO REDEEMABLE PARTICIPATING ORDINARY SHAREHOLDERS
AS AT 30 SEPTEMBER 2007

	30 September 2007	30 September 2006	30 September 2007	30 September 2006	30 September 2007*	30 September 2007	30 September 2006
Note	£	£	£	£	£	£	£
Assets							
Bank balance	-	-	-	-	-	26,312	-
Financial assets at fair value through profit or loss	15,506,399	13,920,320	10,145,674	9,267,828	3,578,093	20,352,056	14,521,699
Other Assets	-	-	-	-	-	13,783	12,290
Total Assets	15,506,399	13,920,320	10,145,674	9,267,828	3,578,093	20,392,151	14,533,989
Liabilities							
Bank balance	-	-	-	-	-	-	3,407
Payable to the manager	-	-	-	-	-	-	-
Accrued expenses	-	-	-	-	-	10,724	5,126
Liabilities (Excluding Net Assets Attributable to Holders of Redeemable Participating Ordinary Shares)	-	-	-	-	-	10,724	8,533
Net Assets Attributable to Holders of Redeemable Participating Ordinary Shares	15,506,399	13,920,320	10,145,674	9,267,828	3,578,093	20,381,427	14,525,456
Ordinary Shares in issue	12,907,543	12,907,543	9,217,977	9,217,977	3,601,140	1,852,321	1,466,956
Net asset value per share	1.20	1.08	1.10	1.01	0.99	1.00	0.90

* The Fund commenced operations on 1 October 2006. No comparative information available.


 Director


 Director

17 January 2008

The Notes on pages 28 to 35 form part of these Financial Statements.

MATRIX STRUCTURED PRODUCTS LIMITED

**STATEMENT OF NET ASSETS ATTRIBUTABLE TO REDEEMABLE PARTICIPATING ORDINARY SHAREHOLDERS
AS AT 30 SEPTEMBER 2007**

	Matrix MAX Closed End Fund*	Matrix Structured Products Limited	Matrix Structured Products Limited	30 September 2007*	30 September 2006
Note	£	£	£	£	£
Assets					
Bank balance	3	21,070	47,382	11,859	11,859
Financial assets at fair value through profit or loss	2	8,840,575	58,422,797	37,709,847	37,709,847
Other Assets	2	4,976	18,759	12,290	12,290
Total Assets		<u>8,866,621</u>	<u>58,488,938</u>	<u>37,733,996</u>	<u>37,733,996</u>
Liabilities					
Bank balance	3	-	-	3,407	3,407
Payable to the manager	4	-	-	11,859	11,859
Accrued expenses		4,660	15,384	5,126	5,126
Liabilities (Excluding Net Assets Attributable to Holders of Redeemable Participating Ordinary Shares)		<u>4,660</u>	<u>15,384</u>	<u>20,392</u>	<u>20,392</u>
Net Assets Attributable to Holders of Redeemable Participating Ordinary Shares		<u>8,861,961</u>	<u>58,473,554</u>	<u>37,713,604</u>	<u>37,713,604</u>
Ordinary Shares in issue	7	790,277			
Net asset value per share		11.21			

*The Fund commenced operations on 1 October 2006. No comparative information available.

The Notes on pages 28 to 35 form part of these Financial Statements.

MATRIX STRUCTURED PRODUCTS LIMITED

**STATEMENT OF OPERATIONS
FOR THE YEAR ENDING 30 SEPTEMBER 2007**

	Matrix Ascension Plan	30 September 2006	Matrix Ascension Plan 2	30 September 2007	Matrix Ascension Plan 2	30 September 2006	Matrix Ascension Plan 3	30 September 2007*	Matrix Horizon Closed End Fund	30 September 2007	Matrix Horizon Closed End Fund	30 September 2006**
Income	£	£	£	£	£	£	£	£	£	£	£	
Interest Income	-	-	-	-	-	-	-	-	-	21,337	-	28
Expenses												
Listing	4	-	-	-	-	-	-	-	-	(163)	-	(525)
Bank charges		-	-	-	-	-	-	-	-	(1,610)	-	(491)
Organisational costs	2	-	-	-	-	-	-	-	-	(1,486)	-	(2,144)
Custody fees	4	-	-	-	-	-	-	-	-	(3,204)	-	(432)
Administration fees	4	-	-	-	-	-	-	-	-	(16,780)	-	(5,848)
Other fees	4	-	-	-	-	-	-	-	-	(5,687)	-	(2,066)
Total expenses		-	-	-	-	-	-	-	-	(28,930)	-	(11,506)
Net gain/(loss) on financial assets at fair value through profit and loss		1,586,079	181,758	877,846	(178,792)	(23,047)	1,671,532	(104,995)				
Increase/(decrease) in Net Assets from Operations to Holders of Redeemable Participating Ordinary Shares		1,586,079	181,758	877,846	(178,792)	(23,047)	1,663,939	(116,473)				

* For the period 1 October 2006 (Date of Commencement of Operations) to 30 September 2007. No comparative information available

** For the period 1 April 2006 (Date of Commencement of Operations) to 30 September 2006.



Director



Director

17 January 2008

The Notes on pages 28 to 35 form part of these Financial Statements.

MATRIX STRUCTURED PRODUCTS LIMITED

**STATEMENT OF OPERATIONS
FOR THE YEAR ENDED 30 SEPTEMBER 2007**

	Matrix MAX Closed End Fund 30 September 2007*	Matrix Structured Products Limited 30 September 2007	Matrix Structured Products Limited 30 September 2006
Income	£	£	£
Interest Income	6,182	27,519	28
Expenses			
Listing	4	(840)	(1,003)
Bank charges		(400)	(2,010)
Organisational costs	2	(1,307)	(2,793)
Custody fees	4	(1,325)	(4,529)
Administration fees	4	(4,292)	(21,072)
Other fees	4	(855)	(6,542)
Total expenses		(9,019)	(37,949)
Net gain/(loss) on financial assets at fair value through profit and loss	344,459	4,456,869	(102,029)
Increase / (decrease) in Net Assets from Operations to Holders of Redeemable Participating Ordinary Shares	341,622	4,446,439	(113,507)

*For the period 1 October 2006 (Date of Commencement of Operations) to 30 September 2007. No comparative information available

The Notes on pages 28 to 35 form part of these Financial Statements.

MATRIX STRUCTURED PRODUCTS LIMITED

**STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO REDEEMABLE PARTICIPATING ORDINARY SHAREHOLDERS
FOR THE YEAR ENDED 30 SEPTEMBER 2007**

	Matrix Ascension Plan	Matrix Ascension Plan 2	Matrix Ascension Plan 2	Matrix Ascension Plan 2	Matrix Ascension Plan 3	Matrix Horizon Closed End Fund	Matrix Horizon Closed End Fund
	30 September 2006	30 September 2007	30 September 2006	30 September 2007*	30 September 2007**	30 September 2007	30 September 2006**
	£	£	£	£	£	£	£
Increase / (decrease) in net assets as a result of operations	1,586,079	181,758	877,846	(178,792)	(23,047)	1,663,939	(116,473)
Net assets at start of year	13,920,320	13,738,562	9,267,828	3,463,912	-	14,525,456	-
Proceeds on the Issue of Shares	-	-	-	5,982,708	3,601,140	8,313,957	14,641,929
Payments on the Redemption of Shares	-	-	-	-	-	(4,121,925)	-
Net Assets Attributable to Holders of Redeemable Participating Ordinary Shares	15,506,399	13,920,320	10,145,674	9,267,828	3,578,093	20,381,427	14,525,456

*For the period 1 October 2006 (Date of Commencement of Operations) to 30 September 2007. No comparative information available

**For the period 1 April 2006 (Date of Commencement of Operations) to 30 September 2006.

The Notes on pages 28 to 35 form part of these Financial Statements.

MATRIX STRUCTURED PRODUCTS LIMITED

**STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO REDEEMABLE PARTICIPATING ORDINARY SHAREHOLDERS
FOR THE YEAR ENDED 30 SEPTEMBER 2007**

	Matrix MAX Closed End Fund 30 September 2007*	Matrix Structured Products Limited 30 September 2007	Matrix Structured Products Limited 30 September 2006
	£	£	£
Increase / (decrease) in net assets as a result of operations	341,622	4,446,439	(113,507)
Net assets at start of year	-	37,713,604	17,202,474
Proceeds on the Issue of Shares	8,598,003	20,513,100	20,624,637
Payments on the Redemption of Shares	(77,664)	(4,199,589)	-
Net Assets Attributable to Holders of Redeemable Participating Ordinary Shares	8,861,961	58,473,554	37,713,604

*For the period 1 October 2006 (Date of Commencement of Operations) to 30 September 2007. No comparative information available.

The Notes on pages 28 to 35 form part of these Financial Statements.

MATRIX STRUCTURED PRODUCTS LIMITED

**STATEMENT OF CASHFLOWS
FOR THE YEAR ENDED 30 SEPTEMBER 2007**

	Matrix Ascension Plan	Matrix Ascension Plan 2	Matrix Ascension Plan 2	Matrix Ascension Plan 3	Matrix Ascension Plan 2	Matrix Ascension Plan 3	Matrix Horizon Closed End Fund	Matrix Horizon Closed End Fund
	2007	2006	2007	2006	2007	2006	30 September 2007	30 September 2006**
Note	£	£	£	£	£	£	£	£
Cash Flows From Operating Activities								
Purchase of financial assets	-	-	-	(5,982,708)	(3,601,140)	(5,982,176)	(14,626,694)	
Sale of Financial Assets	-	-	-	-	-	1,433,351	(18,670)	
Net payment to expenses	-	-	-	-	-	-	21,337	28
Bank interest received	-	-	-	(5,982,708)	(3,601,140)	(4,162,313)	(14,645,336)	
Net Cash Outflows From Operating Activities								
Cash Flows From Financing Activities								
Proceeds received from redeemable participating ordinary shares Issued	-	-	-	5,982,708	3,601,140	8,313,957	14,641,929	
Payments made from redeemable participating ordinary shares Redeemed	-	-	-	-	-	(4,121,925)	-	
Net Cash Inflows From Financing Activities								
Net Increase/(Decrease) In Cash And Cash Equivalents								
Cash and cash equivalents at the beginning of the year	-	-	-	-	-	-	29,719	(3,407)
Cash and cash equivalents at the end of the year								
	-	-	-	-	-	-	26,312	(3,407)

*For the period 1 October 2006 (Date of Commencement of Operations) to 30 September 2007. No comparative information available.

**For the period 1 April 2006 (Date of Commencement of Operations) to 30 September 2006.

The Notes on pages 28 to 35 form part of these Financial Statements.

MATRIX STRUCTURED PRODUCTS LIMITED

**STATEMENT OF CASHFLOWS
FOR THE YEAR ENDED 30 SEPTEMBER 2007**

	Matrix MAX	Matrix Structured Products Limited	Matrix Structured Products Limited
	30 September 2007*	30 September 2007	30 September 2006
Note	£	£	£
Cash Flows From Operating Activities			
Purchase of financial assets	(8,516,115)	(17,709,431)	(20,609,402)
Sale of financial assets	20,000	1,453,351	
Net payment to expenses	(9,336)	(46,020)	(51,727)
Bank interest received	6,182	27,519	28
Net Cash Outflows From Operating Activities	(8,499,269)	(16,274,581)	(20,661,101)
Cash Flows From Financing Activities			
Proceeds received from redeemable participating ordinary shares Issued	8,598,003	20,513,100	20,624,637
Payments made from redeemable participating ordinary shares Redeemed	(77,664)	(4,199,589)	-
Net Cash Inflows From Financing Activities	8,520,339	16,313,511	20,624,637
Net Increase/(Decrease) In Cash And Cash Equivalents	21,070	38,930	(36,464)
Cash and cash equivalents at the beginning of the year	-	8,452	44,916
Cash and cash equivalents at the end of the year	21,070	47,382	8,452

*For the period 1 October 2006 (Date of Commencement of Operations) to 30 September 2007. No comparative information available.

The Notes on pages 28 to 35 form part of these Financial Statements.

MATRIX STRUCTURED PRODUCTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2007

1. General

The Company was incorporated with limited liability in Bermuda on 20 April 2004 as a closed-ended investment company under The Companies Act 1981 and is registered as a segregated accounts company under The Segregated Accounts Companies Act 2000 (“SAC Act”), with registered number EC#35209.

The provisions of the SAC Act allow the Company to create one or more Funds for the purpose of segregating and protecting the assets within those Funds so that liabilities of the Company attributable to one Fund can only be satisfied out of the assets of that Fund, and holders of shares issued by a particular Fund have no right to the assets of any other Fund.

At the year end the Company had five Funds in operation (individually referred to as Fund, collectively as Funds), Matrix Ascension Plan, Matrix Ascension Plan 2, Matrix Ascension Plan 3, Matrix Horizon Closed End Fund and Matrix Max Closed End Fund.

The objective of the Matrix Ascension Plan and Matrix Ascension Plan 2 is to provide Shareholders with the Investment Return, being an amount not less than 96p per Share (the “Protected Amount”), plus capital growth linked to the performance of the Winton Trading Strategies Fund, (the “Winton Return Amount”). The shares are intended to be held by the shareholders for 7 years and will be redeemed by the Company on the maturity date. The maturity date for Matrix Ascension Plan is 30 June 2011 and Matrix Ascension Plan 2 is 31 October 2011.

The objective of the Matrix Ascension Plan 3 is to provide Shareholders with the Investment Return, being an amount not less than 90p per Share (the “Protected Amount”), plus capital growth linked to the performance of the Winton Trading Strategies Fund, (the “Winton Return Amount”). The Shares are intended to be held by the Shareholders for 5 years and will be redeemed by the Company on the maturity date. The maturity date for Matrix Ascension Plan 3 is 30 September 2011.

The Matrix Horizon Closed End Fund invests all of its assets (to the extent not retained in cash) in the Retail Sterling Shares of the Matrix Horizon Fund. The Matrix Horizon Fund is a Fund of Matrix Alternative Investment Strategies Fund, a mutual fund company incorporated in Bermuda with limited liability under registration number EC#29535. The investment objective of the Matrix Horizon Fund is to achieve consistently high annual returns in Sterling terms with low volatility. The Matrix Horizon Fund invests solely in the Matrix class shares of the Collingham Investment Fund which invests in a carefully selected hedge fund portfolio consisting of a minimum of 15 hedge funds diversified across different investment styles and strategies and managed by what the Investment Manager regards as high quality investment managers.

The Matrix MAX Closed End Fund invests all of its assets (to the extent not retained in cash) in the Retail Sterling Shares of the Matrix MAX Fund. The Matrix MAX Fund is a Fund of Matrix Alternative Investment Strategies Fund, a mutual fund company incorporated in Bermuda with limited liability under registration number EC#29535. The investment objective of the Matrix MAX Fund is to provide consistently high returns over a market cycle by investing in a range of absolute return funds that seek to generate steady positive monthly returns. The Matrix MAX Fund invests in a minimum of 12 underlying absolute return funds whose fund managers realise returns both from market inefficiencies, as well as from directional market moves.

2. Principal Accounting Policies

The significant accounting policies adopted by the Company are as follows:

MATRIX STRUCTURED PRODUCTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2007 (CONTINUED)

2. Principal Accounting Policies (continued)

Basis of Preparation

The Financial Statements have been prepared in accordance with International Financial Reporting Standards. The Statement of Net Assets Attributable to Redeemable Participating Ordinary Shareholders presents assets and liabilities in decreasing order of liquidity and does not distinguish between current and non-current items.

Historical Cost Convention

The Financial Statements have been prepared under the historical cost convention as modified to include investments at fair value.

Foreign Currency Translation

(a) Functional and presentation currency

Items included in the Company's financial statements are measured using the currency of the primary economic environment in which it operates. This is Sterling ("GBP") for the Matrix Ascension Plan, the Matrix Ascension Plan 2, Matrix Ascension Plan 3, Matrix Horizon Closed End Fund and the Matrix MAX Closed End Fund. The Company has adopted Sterling as its presentation currency.

(b) Transactions and Balances

Transactions in foreign currencies are translated into Sterling at the exchange rate ruling at the date of the transaction. Foreign currency assets and liabilities are translated into Sterling at the exchange rate ruling at the date of the Statement of Net Assets Attributable to Redeemable Participating Ordinary Shareholders. Gains or losses on foreign exchange transactions are recognised in the Statement of Operations in determining the results for the year.

Cash and Cash Equivalents

Cash and cash equivalents, include cash in hand, deposits held with banks and bank overdrafts. Cash and cash equivalents are valued at their face value with interest accrued, where applicable.

Financial Assets and Liabilities at Fair Value through Profit and Loss

The Company has designated its investments as financial assets and liabilities at fair value through profit or loss category and consequently they are measured at fair value with all changes recognised in the Statement of Operations.

Purchases and sales of investments are recognised on trade date – the date on which the Company commits to purchase or sell the asset. Investments are initially recognised at fair value and are derecognised when the rights to receive cash flows from the investments have expired or the Company has transferred substantially all risks and rewards of ownership.

Realised gains and losses are calculated on an average cost basis.

Gains and losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are included in the Statement of Operations in the period in which they arise.

MATRIX STRUCTURED PRODUCTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2007 (CONTINUED)

2. Principal Accounting Policies (continued)

Valuation of Investments

The value of options held by the Funds and traded over the counter are fair valued by reference to the valuations provided by the counterparty or in such other manner as may be determined by the Directors of the Company to reflect the true value thereof.

The Matrix Ascension Plan has invested in an over the counter option on the Class A Shares of the Euro Sub-Fund of Winton Trading Strategies Ltd issued by BNP Paribas London with an expiry date of 30 June 2011 which has been fair valued at £15,506,399 (30 September 2006: £13,920,320) by BNP Paribas London. The Matrix Ascension Plan 2 has invested in an over the counter option on the Class A Shares of the Euro Sub-Fund of Winton Trading Strategies Ltd issued by BNP Paribas London with an expiry date of 08 November 2011 which has been fair valued at £10,145,674 (30 September 2006: £9,267,828) by BNP Paribas London. The Matrix Ascension Plan 3 has invested in an over the counter option on the Winton Trading Strategies Ltd issued by BNP Paribas London with an expiry date of 30 September 2011 which has been fair valued at £3,578,093 by BNP Paribas London.

Investments in open-ended underlying funds are valued at fair value using the latest available unaudited net asset value on the relevant valuation day as reported by such underlying funds.

Matrix Horizon Closed End Fund's investment in the Retail Sterling Shares of the Matrix Horizon Fund was fair valued at £20,352,056 (30 September 2006: £14,521,699). Matrix MAX Closed End Fund's investment in the Retail Sterling Shares of the Matrix MAX Fund was fair valued at £8,840,575.

Redeemable Participating Ordinary Shares

Redeemable Participating Ordinary Shares are redeemable at the Shareholders option and are classified as financial liabilities. The Participating Ordinary Shares are held at the redemption amount that is payable as at the Statement of Net Assets Attributable to Redeemable Participating Ordinary Shareholders date.

Organisational Costs

The costs and expenses of establishing the Matrix Horizon Closed End Fund were £17,413 and are being amortised, for the purposes of calculating its net asset value per share, over the five years which commenced on 20 April 2006. The total amount unamortised at year end is £13,783 (30 September 2006: £12,290). The costs and expenses of establishing the Matrix MAX Closed End Sub Fund were £6,283 and are being amortised, for the purposes of calculating its net asset value per share over the five years which commenced on 1 October 2006. The total unamortised at year end is £4,976.

Standards, amendments and interpretations that are not yet effective

The following standards are effective for the Company's accounting periods beginning on or after 1 January 2007 or later periods.

IFRS 7, Financial Instruments: Disclosures

IFRS 8, Operating Segments, (effective from 1 January 2009)

The Directors will assess their impact as and when they become effective.

MATRIX STRUCTURED PRODUCTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2007 (CONTINUED)

3. Bank Balance

A bank balance of £26,312 (30 September 2006: overdraft £3,407) for the Matrix Horizon Closed End Fund and £21,070 for the Matrix MAX Closed End Fund is held with the Governor and Company of Bank of Ireland.

4. Fees and Expenses

All fees and expenses in relation to the Matrix Ascension Plan, Matrix Ascension Plan 2 and Matrix Ascension Plan 3 are paid by Matrix (Bermuda) Limited (the "Manager"). Matrix Horizon Closed End Fund and Matrix MAX Closed End Fund will pay for their own fees and expenses from their bank account held with the Governor and Company of Bank of Ireland.

Administration Fees

Citi Fund Services (Ireland), Limited ("Citi") (the "Administrator") is entitled to an administration fee of up to of 0.05% of the net asset value of the Matrix Ascension Plan, Matrix Ascension Plan 2 and Matrix Ascension Plan 3 and up to 0.105% of the net asset value of the Matrix Horizon Closed End Fund and Matrix MAX Closed End Fund, subject to a complex minimum fee. There is a complex fund minimum arrangement across the assets of Matrix Structured Products Limited and Matrix Alternative Investment Strategies Fund Limited where if fees charged by Citi overall fall below a level of \$25,350 per Fund per annum across all of the Funds in existence, then the minimum charge of \$25,350 per Fund would apply. Total administration fees paid to Citi during the year by the Manager on behalf of the Matrix Ascension Plan, Matrix Ascension Plan 2 and Matrix Ascension Plan 3 amounted to £10,056 (2006: £4,359) with £3,575 (2006: £1,939) remaining payable by "the Manager" at year end. Matrix Horizon Closed End Fund administration fees payable to Citi at year end were £4,430 (30 September 2006: £2,323) and Matrix MAX Closed End Fund administration fees payable to Citi at year end were £1,761. A per share class fee of \$5,850 per annum will be charged for each additional share class over one for each Fund. During the year, this charge has not applied.

Out-of-pocket expenses incurred on behalf of the Matrix Ascension Plan, Matrix Ascension Plan 2 and the Matrix Ascension Plan 3 including the cost of communication, postage, printing, publication of prices and expenses and correspondent bank charges are payable by the Manager. Out-of-pocket expenses incurred on behalf of the Matrix Horizon Closed End Fund and Matrix MAX Closed End Fund are payable by the relevant Funds.

Custody Fees

The Governor and Company of Bank of Ireland (the "Custodian") charges the Matrix Horizon Closed End Fund and Matrix MAX Closed End Fund a custodian charge of 0.01% of the net asset value per month. Additionally, it is charged a £20 per transaction fee.

Fees of the Winton Trading Strategies Fund

The Winton Return Amount is calculated by the Product Provider after taking into account all fees, expenses and costs incurred by the Winton Trading Strategies Fund and which include a management charge of 2% per annum and a performance fee of 20% per annum payable quarterly of the increase, if any, in the Net Asset Value per Share above the previously highest Net Asset Value per Share on any previous quarter end, in all cases before deductions or any accruals for performance fees.

MATRIX STRUCTURED PRODUCTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2007 (CONTINUED)

4. Fees and Expenses (continued)

Fees of the Matrix Horizon Fund Retail Sterling Share Class

The Class Matrix Shares of the Collingham Investment Fund in which the Matrix Horizon Fund invests, attract a management fee of 1/12 of 1% of the aggregate Net Asset Value of the Class Matrix Shares at the relevant month end plus an incentive fee equal to 10% of the increase in the net Asset Value from the previous monthly reference date subject to a “high water mark”. In addition an annual management charge of 0.9% per annum is charged at the level of the Matrix Horizon Fund on the Retail Shares.

Fees of the Matrix MAX Fund Retail Sterling Share Class

The Matrix MAX Fund Retail Share Class attracts a management fee of 1/12 of 1.75% of the aggregate Net Asset Value of the Class Shares at the relevant month end plus an incentive fee equal to 5% of the increase in the Net Asset Value from the previous monthly reference date subject to a “high water mark”. In addition the Manager will also receive from the Matrix MAX Fund a passive currency hedging fee, which will be accrued and payable monthly in arrears, for its services in arranging currency hedging transactions in respect of the Sterling Shares in the Matrix MAX Fund. Such fee will be calculated on the basis of the net asset value of the assets attributable to the Sterling Shares of the Matrix MAX Fund, at the rate of up to 0.065% per annum.

Directors' Fees

The Directors are entitled to a fee and remuneration in consideration for the performance of their duties as Directors.

Mike Kirby and James Keyes will each receive \$10,000 per annum to be paid by the Manager. Bridget Guerin has waived her entitlement to remuneration.

Sponsoring Broker

The Sponsoring Broker charges the Company an annual fee of £2,000.

Listing Fees

The annual listing fee of the Channel Islands Stock Exchange for the Matrix Ascension Plan, Matrix Ascension Plan 2 and the Matrix Ascension Plan 3 are £900 per Fund. The Channel Islands Stock Exchange annual listing fee for the Matrix Horizon Closed End Fund and Matrix MAX Closed End Fund is £800.

5. Taxation

At the present time no income, profit or capital gains taxes are levied in Bermuda and, accordingly, no provision for such taxes has been recorded by the Company. The Company has received from the Minister of Finance of Bermuda under the provisions of the Exempted Undertaking Tax Provision Act 1966, as amended, an undertaking that, in the event of there being enacted in Bermuda, any legislation imposing tax computed on profits or income, or computed on any capital assets, gains or appreciation or any tax in the nature of estate duty or inheritance tax, such tax shall not until 28 March 2016 be applicable to the Company or to any of its operations or to the Shares, debentures or other obligations of the Company except insofar as such tax applies to persons ordinarily resident in Bermuda and holding such Shares, debentures or other obligations of the Company or to land in Bermuda leased to the Company.

6. Distributions

The Company in general meeting may declare a dividend but no dividend shall exceed the amount recommended by the Directors. The Directors do not recommend a dividend at this point.

MATRIX STRUCTURED PRODUCTS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2007
(CONTINUED)**

7. Share Capital

The Authorised Share Capital of the Company is of 43,200,000 Ordinary Shares of par value £0.001 each and 6,800 Management Shares of par value £1.00 each.

Management Shares

The Management Shares were subscribed by Matrix Group Limited. These Shares do not form part of the Net Asset Value of the Company and are thus not disclosed in the financial statements except by way of this note.

Redeemable Participating Ordinary Shares

The issued Redeemable Participating Ordinary Share Capital is at all times equal to the Net Asset Value of the Company. Redeemable Participating Ordinary Shares are redeemable at the Shareholders' option and are classified as financial liabilities.

The movement in the number of Redeemable Participating Ordinary Shares during the year is as follows:

	Matrix Ascension Plan 30 September 2007	Matrix Ascension Plan 30 September 2006	Matrix Ascension Plan 2 30 September 2007	Matrix Ascension Plan 2 30 September 2006	Matrix Ascension Plan 3 30 September 2007
Shares at beginning of year	12,907,543	-	9,217,977	3,460,391	-
Shares subscribed	-	12,907,543	-	5,757,586	3,601,140
Shares redeemed	-	-	-	-	-
Shares at end of year	<u>12,907,543</u>	<u>12,907,543</u>	<u>9,217,977</u>	<u>9,217,977</u>	<u>3,601,140</u>

	Matrix Horizon Closed End Fund 30 September 2007	Matrix Horizon Closed End Fund 30 September 2006	Matrix MAX Closed End Fund 30 September 2007
Shares at beginning of year	1,466,956	-	-
Shares subscribed	778,827	1,466,956	797,208
Shares redeemed	(393,462)	-	(6,931)
Shares at end of year	<u>1,852,321</u>	<u>1,466,956</u>	<u>790,277</u>

8. Derivatives and Other Financial Instruments

The main risks arising from the Company's financial instruments are market price, counterparty risk and liquidity risk.

MATRIX STRUCTURED PRODUCTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2007 (CONTINUED)

8. Derivatives and Other Financial Instruments (continued)

Market Risk

The past performance of underlying funds in or through which a Fund invests is not necessarily indicative of the future performance of a Fund. There can be no guarantee that the investment objective of the Company or any Fund will be achieved. Prospective investors should regard an investment in any Fund as long-term in nature and they may not recover the full amount initially invested. The market price of the Shares can fluctuate and there is no guarantee that the market price of Shares will reflect fully their underlying Net Asset Value.

Counterparty Risk

The Company will be subject to the risk of bankruptcy of, or the inability or refusal to perform with respect to such instruments by, the counterparties with which the Company deals.

Liquidity Risk

Some of the investments made by a Fund may not be readily realisable and their marketability may be restricted, in particular because markets in those investments may be made only by the relevant manager, which will allow redemptions at specific times and dates and it may be difficult for a Fund to sell or realise its investments. Investors should be aware that investment in the Company should be viewed as a long-term investment and, while Shareholders will be able to dispose of their Shares prior to the termination date, the market price of such Shares may not reflect the underlying Net Asset Value of the Shares.

Foreign Currency Risk

The Net Asset Value per Share is computed in the functional currency, which is Sterling. Assets and liabilities may be in a wide range of currencies, some of which may be affected by currency movements. During the year all assets and liabilities were in Sterling.

Fair Value

All the financial assets and liabilities of the Company are held at fair value at 30 September 2007 and 30 September 2006. Realised gains and losses on financial assets at fair value through profit or loss are disclosed in the Statement of Operations on pages 22 and 23.

9. Related Parties

In accordance with IAS 24 "Related Party Disclosure", parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operating decisions. In the opinion of the Directors, Matrix Money Management Limited (the "Nominee") and Matrix (Bermuda) Limited (the "Manager") are related parties to the Company. Bridget Guerin is a director of the Company and is also a director of the Nominee and of the Manager. Fees paid to these related parties during the year have been disclosed in Note 4. The Management Shares were subscribed by Matrix Group Limited.

Matrix Money Management, as nominee held 12,583,275 (2006: 12,750,452) shares in the Matrix Ascension Plan, 8,633,796 (2006: 9,042,360) shares in the Matrix Ascension Plan 2 and 3,601,140 shares in the Matrix Ascension Plan 3.

MATRIX STRUCTURED PRODUCTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2007 (CONTINUED)

10. Accounting Period

The accounting period for the financial statements is for the year from 1 October 2006 to 30 September 2007. The comparative figures for the Statement of Net Assets Attributable to Redeemable Participating Ordinary Shareholders are as at 30 September 2006. Comparative figures for the Statement of Operations, Statement of Changes in Net Assets Attributable to Redeemable Participating Ordinary Shareholders and Statement of Cashflows are for the year ended 30 September 2006.

11. Exchange Rates

The following exchange rates were used

	30 September 2007	30 September 2006
EURO/GBP	0.69803	0.67816
USD/GBP	0.49083	0.53535

12. Subsequent Events

On 1 November 2007, the Company launched a new Fund; Matrix Asset Based 2 Closed End Fund.

13. Approval of the Financial Statements

The Financial Statements were approved by the Board of Directors on 17 January 2008.