

Strategy Description

Key Trends is a medium-to-long-term systematic trading system, investing in the most liquid futures markets. Based on its innovative probabilistic model, Key Trends is able to detect establishing trends quickly, to characterize high potential established trends, as well as detecting trend reversals sooner, thus elevating Key Trends' profit potential versus its peers. Moreover, thanks to a unique "Global Economic Factor" (GEF) [®], Key Trends is able to assess the strength of global economic trends in order to optimize its portfolio exposure.

Fund Characteristics

Strategy	Key Trends program
Type	Trend following
Process & Trading	100% Systematic
Traded Markets	31 financial futures
Target Volatility	10%
Underlying Holdings	Futures, FX and cash

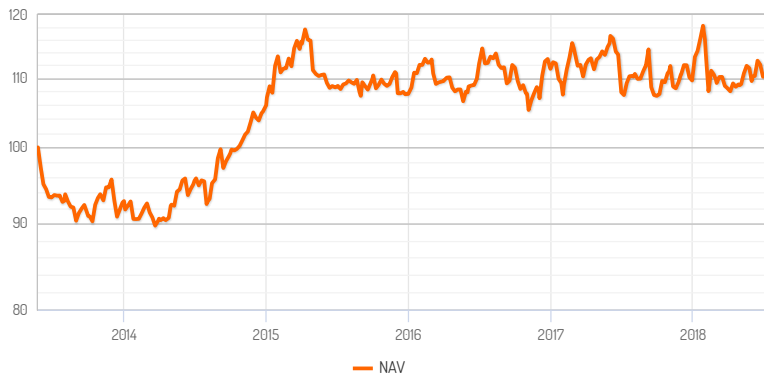
Key Trends UCITS (A-EUR Shares) Net Monthly Performance

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2018	5.73%	-5.32%	-1.12%	0.37%	0.58%	0.59%	-	-	-	-	-	-	0.51%
2017	-3.49%	6.64%	-2.25%	0.70%	2.25%	-6.51%	2.17%	1.42%	-3.98%	3.45%	-0.46%	-0.82%	-1.59%
2016	4.08%	0.74%	-2.92%	-1.42%	-0.14%	4.07%	0.95%	-1.47%	-0.05%	-3.53%	0.51%	2.97%	3.51%
2015	6.97%	-0.31%	2.33%	-3.82%	-0.59%	-1.68%	0.88%	-2.10%	2.39%	-0.68%	1.42%	-2.78%	1.57%
2014	-2.45%	2.18%	-2.08%	1.79%	3.54%	-0.04%	-3.16%	6.51%	0.68%	1.79%	3.91%	0.98%	14.07%
2013	-	-	-	-	-2.67%*	-4.09%	-0.46%	-2.71%	0.66%	3.04%	2.04%	-2.92%	-7.12%

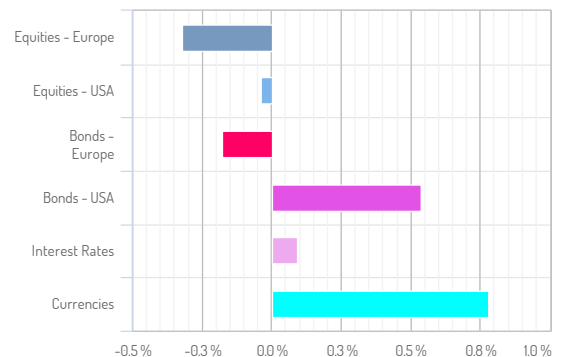
*Inception date: May 24, 2013.

PAST RESULTS ARE NOT NECESSARILY INDICATIVE OF FUTURE RESULTS

Performance since Inception (May 24, 2013)



Monthly Gross Sector Performance



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Key Statistics (Based on monthly data)

Rolling Statistics

Return over last 12 months	2.15%
Trailing 12m Volatility	9.90%
Current Margin/Equity Ratio	7.12%
Current drawdown	-4.94%

Since Inception

Annualized Return	1.92%
Annualized Volatility	10.14%
Return / Volatility	0.19
Largest drawdown	-9.60%

Assets

NAV per Share	110.184311
Assets in Key Trends UCITS (approx.)	€ 21 000 000
Assets in Strategy (approx.)	\$ 400 000 000

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Leverage & VaR

Leverage	Adjusted Leverage ^[1]	VaR 99% 20 days
1931%	472%	-8.25%

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Sources : KeyQuant, Bloomberg
Calculation : KeyQuant

Monthly Commentary

For the month ending June 29, 2018, the Key Trends UCITS (A-EUR shares) posted a net return of +0.59%, bringing the net YTD return to +0.51%.

In early June, European equities rallied as the Italian turmoil eased, the merger frenzy resumed, and the ECB announced the end of QE, halting the bond-buying program end-2018, and hiking rates by mid-2019. U.S. President Trump's trade tariff threats halted the Eurozone equity recovery and Euro area shares dropped for the remainder of June. US stocks rallied faster and proved more resilient to the tariff threats. The Euro Stoxx 50 ended the month down 0.32%, whereas the S&P 500 gained 0.48%. Driven by positive growth data and the ECB news, the USD managed to perform well in June: The Bloomberg Dollar Index was up 0.90% and the currency approached its YTD high of 1.1547 against the Euro. Gold was down 3.49%, while in energies, President Trump urged OPEC and its allies to increase their production targets. OPEC responded with a planned production increase, but WTI rallied in late June when market pundits concluded that there would be a lag in attaining the increased output. WTI ended the month up 10%.

Overall exposure in June remained stable and slightly elevated, with the ex-ante volatility ending the month at 12.8%, driven by a Global Economic Factor ("GEF") at 1.25. The system rebalanced on equities, bonds, and currencies: Decreasing long positions on European equities by 1/4, cutting the 10-Yr and 20-Yr US Treasury positions in half, while increasing the long USD exposure (vs. GDP and JPY). Going into July, the portfolio is net long equities, long Euro bonds, short US Treasuries, and long the US Dollar.

YTD 2018, the Key Trends UCITS (A-EUR shares) is at +0.51% vs. -4.66% for the SG Trend Index (rebased to 10% volatility), an outperformance of more than 5%.

Key Terms


Structure	Umbrella Investment Company	Administrator	CACEIS Bank, Luxembourg Branch
Type	SICAV	Depository	CACEIS Bank, Luxembourg Branch
Domicile	Luxembourg	Clearing Brokers	Société Générale International Goldman Sachs International
Investment Manager	KeyQuant SAS	Auditor	PricewaterhouseCoopers, SC

Share Class Characteristics

Class of Shares	A-EUR	I-EUR	A-USD
Inception Date	May 24, 2013	April 12, 2013	October 7, 2016
Eligibility	Professional Investors only	Professional Investors only	Professional Investors only
Reference Currency	EUR	EUR	USD
Hedged Share Class	-	-	Yes
Liquidity	Weekly & end of Month (2 business days notice)	Weekly & end of Month (2 business days notice)	Weekly & end of Month (2 business days notice)
Minimum Initial Investment	EUR 10,000	EUR 2,000,000	USD 10,000
Management Fees	2%	1.25%	2%
Performance Fees	20%	20%	20%
ISIN Code	LU0904233987	LU0904234019	LU0904234449
Bloomberg Ticker	KEYKTAE LX	KEYKTIE LX	KEYKTAU LX

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Explanatory Notes

[1] Adjusted Leverage : Total notional amount for futures contracts (duration adjusted for bonds and interest rates).

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