

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 (I-EUR Shares) Net Monthly Performance

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2018	5.63%	-5.10%	-1.06%	0.43%	0.64%	0.65%	2.37%	-	-	-	-	-	3.28%
2017	-3.43%	6.68%	-2.20%	0.74%	2.30%	-6.39%	2.23%	1.39%	-3.82%	3.46%	-0.33%	-0.76%	-0.84%
2016	4.13%	0.83%	-2.91%	-1.37%	-0.09%	4.12%	0.99%	-1.42%	0.00%	-3.48%	0.56%	3.03%	4.13%
2015	7.02%	-0.22%	2.39%	-3.77%	-0.54%	-1.63%	0.93%	-2.05%	2.44%	-0.63%	1.47%	-2.73%	2.22%
2014	-2.39%	2.24%	-2.01%	1.85%	3.60%	0.02%	-3.09%	6.18%	0.61%	1.68%	3.96%	1.04%	14.12%
2013	-	-	-	1.53%*	-1.78%	-4.03%	-0.40%	-2.65%	0.72%	3.10%	2.10%	-2.86%	-4.42%

*Inception date: April 12, 2013.

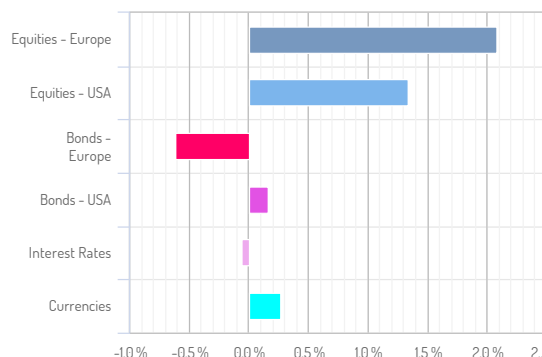
PAST RESULTS ARE NOT NECESSARILY INDICATIVE OF FUTURE RESULTS

Performance since Inception (April 12, 2013)



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Monthly Gross Sector Performance



Key Statistics (Based on monthly data)

Rolling Statistics

Return over last 12 months	3.07%
Trailing 12m Volatility	9.68%
Current Margin/Equity Ratio	7.40%
Current drawdown	-2.22%

Since Inception

Annualized Return	3.32%
Annualized Volatility	9.89%
Return / Volatility	0.34
Largest drawdown	-8.60%

Assets

NAV per Share	118.906521
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
2 380%	480%	-10.08%

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Sources : KeyQuant, Bloomberg
Calculation : KeyQuant

Monthly Commentary

For the month ending July 31, 2018, the Key Trends UCITS (I-EUR shares) posted a net return of +2.37%, bringing the net YTD return to +3.28%.

July saw new tariff threats from U.S. President Trump; but also a Trump-EU reconciliation on new trade tariffs. President Trump criticized the U.S. Fed for raising interest rates, defying a longstanding protocol for U.S. Presidents to avoid commenting on monetary policy. The US Dollar dropped on this news. President Trump has always been clear about his desire for a weaker dollar to induce more US led exports. By month-end, the Bloomberg Dollar Index had lost 1.00%. The 2-Yr and 10-Yr US Treasuries saw yields advance by approx. 10 bps each. Facebook saw more than \$110 billion in market cap wiped out in one day after a disappointing quarterly result announcement. The Eurostoxx 50 advanced 4.55%, driven by strong quarterly results, while the S&P 500 was up 3.29%. WTI oil fell from \$74 to \$68 on the possibility that Libya could reopen its ports and that Saudi Arabia could increase supplies. Gold dropped 1.4%, having fallen nearly 10% since mid-April.

The Key Trends Program saw gains from long equity index positions and short medium-term US Treasury positions. Losses came from long European bond/rates positions. The biggest change on the portfolio came from a higher overall gearing, driven by an increasing GEF going from 1.25 to 1.47 (near its 1.50 max), moving the ex-ante volatility higher from 12.8% to 14.9%. The model upped the position on long European equities. The net long on the USD was reduced by a long Mexican Peso (vs. USD).

YTD 2018, the Key Trends UCITS (I-EUR shares) is currently outperforming the SG Trend Index (rebased to 10% vol.) by 8.65%.

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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