

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 | 43 financial futures |
| Target Volatility | 10% |
| Underlying Holdings | Futures, FX and cash |

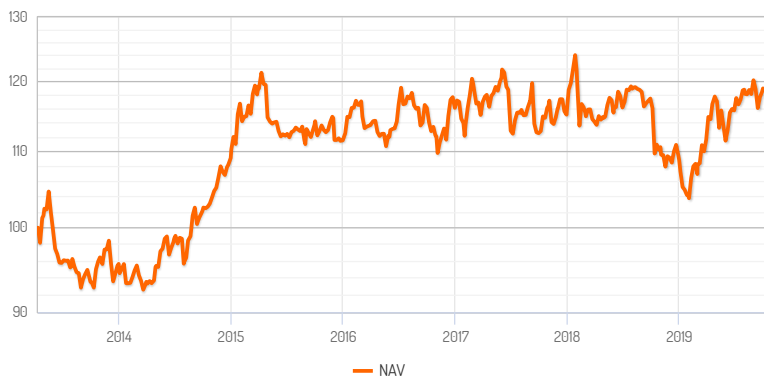
Key Trends UCITS (I-EUR Shares) Net Monthly Performance

| | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | YTD |
|------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| 2019 | -4.40% | 2.81% | 4.37% | 5.13% | -5.00% | 3.85% | 2.63% | 118% | -1.01% | - | - | - | 9.37% |
| 2018 | 5.63% | -5.10% | -1.06% | 0.43% | 0.64% | 0.65% | 2.37% | -0.40% | -0.81% | -5.89% | -1.32% | -0.30% | -5.52% |
| 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.

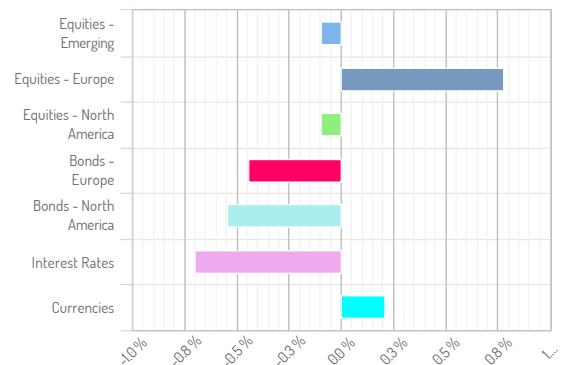
PAST RESULTS ARE NOT NECESSARILY INDICATIVE OF FUTURE RESULTS

Performance since Inception (April 12, 2013)



PAST RESULTS ARE NOT NECESSARILY INDICATIVE OF FUTURE RESULTS

Monthly Gross Sector Performance



Key Statistics (Based on monthly data)

Rolling Statistics

| | |
|-----------------------------|--------|
| Return over last 12 months | 1.27% |
| Trailing 12m Volatility | 12.57% |
| Current Margin/Equity Ratio | 7.47% |
| Current drawdown | -2.18% |

Since Inception

| | |
|-----------------------|---------|
| Annualized Return | 2.72% |
| Annualized Volatility | 10.25% |
| Return / Volatility | 0.27 |
| Largest drawdown | -14.50% |

Assets

| | |
|--------------------------------------|----------------|
| NAV per Share | 118.962725 |
| Assets in Key Trends UCITS (approx.) | € 22 000 000 |
| Assets in Strategy (approx.) | \$ 360 000 000 |

PAST RESULTS ARE NOT NECESSARILY INDICATIVE OF FUTURE RESULTS

Leverage & VaR

| | |
|----------|-----------------|
| Leverage | VaR 99% 20 days |
| 2.676% | -6.85% |

PAST RESULTS ARE NOT NECESSARILY INDICATIVE OF FUTURE RESULTS

Monthly Commentary

For the month ending September 30, 2019, the Key Trends UCITS (I-EUR Shares) posted a net return of -1.01%, bringing the net YTD return to +9.37%.

Global stocks rose this month, after signs of progress in the U.S.-China trade talks and solid U.S. and Chinese data reports. President Donald Trump suggested a trade deal with China was possible, while Chinese government announced they could exempt some U.S. agricultural products from additional tariffs. A parliamentary vote in Britain put the brakes on the nation's no-deal exit from the European Union, bringing investors back to equities: The Eurostoxx 50 was up 4.16%. Treasury yields rose thanks to optimism on a possible trade deal. Without having a positive effect on bond prices, a number of central banks made accommodative moves this month: The European Central Bank announced a cut to its main rate to minus 0.5% and a €20 billion a month bond-buying program while the Federal Reserve lowered the Fed Funds target rate to a range of 1.75% to 2.00% "in light of the implications of global developments for the economic outlook as well as muted inflation pressures." Treasury yields started to drop at the end of the month after U.S. and European data were weaker than expected. Oil prices finished lower but were volatile after the attack on oil facilities in Saudi Arabia inflamed worries over the stability of the Middle East. Gold fell -3.15% as investors looked for risky assets.

In September, the model continued to keep risk below average. The model's small long position in equities was increased from 10% to 70% (approximate leverage), while the rates and bonds positions were reduced. A biggest part of the reduction took place on European bonds vs. U.S. Treasuries. The program went from long to short on JPY/USD and from short to long on the S&P MidCap 400 E-mini, S&P Toronto 60, Ibex, Eurostoxx Bank, Stoxx Europe 600 and MSCI Emerging Mkts. At month-end the ex-ante volatility for the Key Trends UCITS (I-EUR Shares) was a mere 8%. The reduced risk has allowed the program to incur smaller losses than had it simply been running a normal 10% vol program without a systematic mechanism dynamically adjusting the risk.

Key Terms

| | | | |
|--------------------|-----------------------------|------------------|---|
| Structure | Umbrella Investment Company | Administrator | CACEIS Bank, Luxembourg Branch |
| Type | SICAV | Depository | CACEIS Bank, Luxembourg Branch |
| Domicile | Luxembourg | Clearing Brokers | Société Générale SA Goldman Sachs Bank Europe SE |
| 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 |

Contact Details

KeyQuant

📍 **Address:** 20, rue Quentin-Bauchart
75008 - Paris - FRANCE

☎ **Phone:** +33 (0) 1.84.13.83.00

✉ **Email:** ir@keyquant.com

🌐 **Website:** www.keyquant.com



Frans Harts

Americas
Phone: +33(0)1.84.13.83.12
Email: fransharts@keyquant.com



Alison Mayer

Europe
Phone: +33(0)1.84.13.83.11
Email: amayer@keyquant.com

Explanatory Notes

Leverage: Total notional amount for futures contracts (According to CESR/10-788).

Disclaimer

This document, communicated by KeyQuant SAS ("KeyQuant"), is confidential and may not be recopied, reproduced or otherwise redistributed.

It has been issued for informational purposes only and nothing in this document should be interpreted as constituting legal, regulatory, tax, financial or investment advice.

The information contained herein is addressed to and directed only at professional investors and should not be relied on by any other person. It does not constitute a report, an offer or a solicitation by anyone in the United States or in any other jurisdiction in which such a report, offer or solicitation is not authorized or to, or for the account or benefit of, any US person as defined in relevant US securities laws or any person to whom such report, offer or solicitation is unlawful.

The information herein may be approximate. It may contain errors and/or omissions and due to rounding, numbers presented throughout may not precisely reflect performance results. It may be based on third party sources of information which are assumed to be correct and reliable but not independently verified.

This document may also contain forward-looking statements, including, but not limited to, statements that are predictions of or indicate future events, trends, plans or objectives. Undue reliance should not be placed on such statements because, by their nature, they are subject to known and unknown risks and uncertainties.

KeyQuant does not guarantee and accepts no legal liability whatsoever arising from or connected to, the accuracy, reliability, currency or completeness of any information provided herein which may be amended at any time. KeyQuant is under no obligation to provide you with an updated version of such information.

Investment in a fund is speculative and involves substantial risks, including the risk of loss of the entire investment. No guarantee or representation is given that the fund will achieve its investment objective.

PAST RESULTS ARE NOT NECESSARILY INDICATIVE OF FUTURE RESULTS