

### 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) <sup>®</sup>, 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-USD Shares) Net Monthly Performance

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2018	5.59%	-4.87%	-0.84%	0.54%	0.54%	-	-	-	-	-	-	-	0.68%
2017	-3.40%	6.67%	-2.16%	0.78%	2.43%	-6.34%	2.35%	1.40%	-3.51%	3.37%	-0.28%	-0.43%	0.18%
2016	-	-	-	-	-	-	-	-	-	-1.62%*	0.68%	3.24%	2.26%

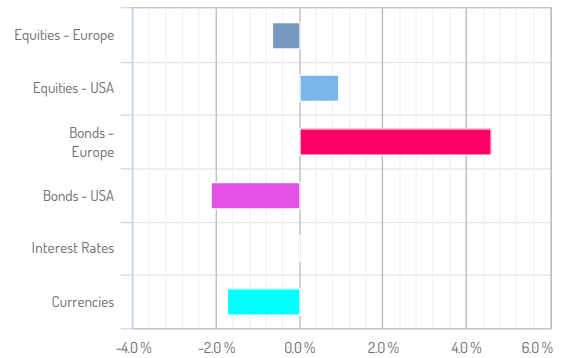
\*Inception date: October 7, 2016.

PAST RESULTS ARE NOT NECESSARILY INDICATIVE OF FUTURE RESULTS

### Performance since Inception (October 7, 2016)



### Monthly Gross Sector Performance



PAST RESULTS ARE NOT NECESSARILY INDICATIVE OF FUTURE RESULTS

### Key Statistics (Based on monthly data)

#### Rolling Statistics

Return over last 12 months	-3.09%
Trailing 12m Volatility	11.28%
Current Margin/Equity Ratio	10.76%
Current drawdown	-4.65%

#### Since Inception

Annualized Return	1.90%
Annualized Volatility	11.43%
Return / Volatility	0.17
Largest drawdown	-6.34%

#### Assets

NAV per Share	117.469704
Assets in Key Trends UCITS (approx.)	€ 21 000 000
Assets in Strategy (approx.)	\$ 390 000 000

PAST RESULTS ARE NOT NECESSARILY INDICATIVE OF FUTURE RESULTS

### Leverage & VaR

Leverage	Adjusted Leverage <sup>[1]</sup>	VaR 99% 20 days
2 279%	828%	- 8.35%

PAST RESULTS ARE NOT NECESSARILY INDICATIVE OF FUTURE RESULTS

Sources : KeyQuant, Bloomberg  
Calculation : KeyQuant

### Monthly Commentary

For the month ending May 31, 2018, the Key Trends UCITS (A-USD shares) posted a net return of +0.54%, bringing the net YTD return to +0.68%.

Political events were the primary driver of markets in May. WTI crude oil reached \$72 per barrel on President Trump's decision to pull out of the Iran deal, but fell back to \$68 after OPEC and Russia released their plan to roll back output curbs. President Trump backed out and went back in agreeing to a one-day summit with North Korea's Kim Jong Un. Investors grew concerned of the Eurosceptics involved in the negotiations between Italy's Five Star Movement and the League. This fear of a potential anti-Europe government drove yields higher on Italian bonds - to levels not seen since 2012. The flight to quality drove German yields lower (prices higher). The Euro fell against the USD, dropping from 1.208 to 1.169. The Eurostoxx 50 erased its monthly gains to end the month at -3.7%, while US equities were more resilient with the S&P 500 finishing at +2.2%.

The program's biggest gainers were long positions on the German Schatz, Bobl, and Bund. These positions, which were sizeable since early April, driven by the system's non-linear trend signals, were a clear positive attribute for the Key Trends UCITS (A-USD shares) vs the SG Trend Index this month. The European and US bond exposure was trimmed, while equity indices were decreased. The neutral bias on the US Dollar switched to long on nearly all seven currency pairs traded. Coming into June, the model is targeting an elevated level of risk (Ex-ante vol. = 14.3%, G.E.F. = 1.50) with long positions on equities, European bonds and the US Dollar, and short positions on US/Canada bonds.

Raphaël Gelrubin was recently quoted in Risk Magazine's article concerning correlation: "Investment allocation strategies that rely too much on correlation may encounter fat tails in their return distribution. Diversification is like fugu fish, it may be great but must be prepared with great caution."

### 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

### Contact Details

---

#### KeyQuant

📍 **Address:** 20, rue Quentin-Bauchart

75008 - Paris - FRANCE

☎ **Phone:** +33 (0) 1.84.13.83.00

✉ **Email:** [ir@keyquant.com](mailto:ir@keyquant.com)

🌐 **Website:** [www.keyquant.com](http://www.keyquant.com)



#### Frans Harts

Americas

Phone: +33(0)1.84.13.83.12

Email: [fransharts@keyquant.com](mailto:fransharts@keyquant.com)



#### Alison Mayer

Europe

Phone: +33(0)1.84.13.83.11

Email: [amayer@keyquant.com](mailto:amayer@keyquant.com)

### Explanatory Notes

---

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

### 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**