

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-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%	0.12%	2.47%	-0.25%	-0.74%	-	-	-	2.27%
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%

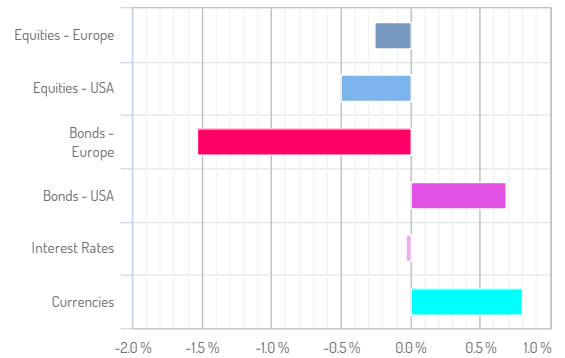
*Inception date: October 7, 2016.

PAST RESULTS ARE NOT NECESSARILY INDICATIVE OF FUTURE RESULTS

Performance since Inception (October 7, 2016)



Monthly Gross Sector Performance



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Key Statistics (Based on monthly data)

Rolling Statistics

Return over last 12 months	4.97%
Trailing 12m Volatility	8.50%
Current Margin/Equity Ratio	9.17%
Current drawdown	-3.14%

Since Inception

Annualized Return	2.39%
Annualized Volatility	10.54%
Return / Volatility	0.23
Largest drawdown	-6.34%

Assets

NAV per Share	119.324702
Assets in Key Trends UCITS (approx.)	€ 21 000 000
Assets in Strategy (approx.)	\$ 570 000 000

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Leverage & VaR

Leverage	Adjusted Leverage ^[1]	VaR 99% 20 days
2 237%	439%	-7.87%

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Sources : KeyQuant, Bloomberg
Calculation : KeyQuant

Monthly Commentary

For the month ending September 28, 2018, the Key Trends UCITS (A-USD) posted a net return of -0.74%, bringing the net YTD return to +2.27%.

Early in September U.S. President Trump fueled market fears of a trade dispute when \$200 billion of new tariffs were announced on Chinese products. Talks were initiated with Canada to replace their trilateral free-trade agreement (NAFTA). As the month progressed, investors realized that a trade dispute between China and the U.S. would have a limited impact on global growth. The U.S. Fed chose to raise rates for the third time this year indicating that the risk of inflation was greater than the risk of a recession – this carried the USD higher in the month and drove US Treasury yields higher. The Euro was relatively flat on the month while the JPY fell as exports continue to fuel the growth of the Japanese economy. German yields drifted higher throughout the month as the European Central Bank President Mario Draghi raised expectations the euro zone will also start to normalize policy over the coming year. Crude oil (WTI) moved higher with tighter supplies expected from imminent U.S. sanctions on Iranian crude exports and the reluctance of OPEC/Russia to raise output. Metal prices decreased, tumbling on the stronger dollar.

Short positions on rates/bonds were the biggest drivers of positive performance for the month. Currencies were also additive on the short JPY and long MEP positions. On the losing side were long equities and long bond positions. By month-end, the only long position left on bonds was the UK Long Gilt (10Yr) – the system went short on German yield curve (2Yr, 5Yr, and 10Yr), the US Treasury 10Yr, and UK short sterling (3Month). The global exposure on the portfolio remains elevated with the Global Economic Factor at 1.38 with the ex-ante volatility geared to 13.6%. Coming into October, the model is much more uncertain on Europe, with small short positions on European bonds and small to medium size long positions on European equities – the long European equity exposure was cut in half in the month of September. Whereas for the US, the model is showing medium size short positions on US Treasuries and similar sized long positions on US equities. The system remains net long the USD.

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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