

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

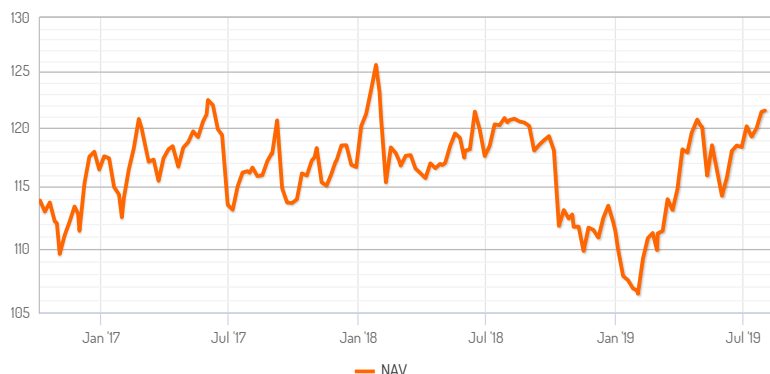
### Key Trends UCITS (A-USD Shares) Net Monthly Performance

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2019	-4.22%	2.97%	4.53%	4.75%	-5.01%	3.60%	2.68%	-	-	-	-	-	9.12%
2018	5.59%	-4.87%	-0.84%	0.54%	0.54%	0.12%	2.47%	-0.25%	-0.74%	-5.52%	-1.12%	-0.08%	-4.53%
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%

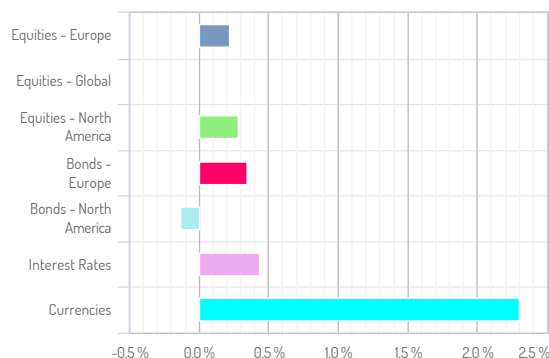
\*Inception date: October 7, 2016.

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	0.86%
Trailing 12m Volatility	12.13%
Current Margin/Equity Ratio	7.17%
Current drawdown	-1.33%

#### Since Inception

Annualized Return	2.34%
Annualized Volatility	11.43%
Return / Volatility	0.20
Largest drawdown	-13.39%

#### Assets

NAV per Share	121.551585
Assets in Key Trends UCITS (approx.)	€ 21 000 000
Assets in Strategy (approx.)	\$ 430 000 000

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### Leverage & VaR

Leverage	2 688%	VaR 99% 20 days	-6.32%
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Sources : KeyQuant, Bloomberg  
Calculation : KeyQuant

### Monthly Commentary

For the month ending July 31, 2019, the Key Trends UCITS (A-USD Shares) posted a net return of +2.68%, bringing the net YTD return to +9.12%.

The trade war yoyo continues. In July, U.S. President Trump offered concessions to Chinese leader Xi Jinping: No new tariffs and easing restrictions on Chinese tech company Huawei. China countered with making unspecified new purchases of U.S. farm products. U.S. Treasuries traded slightly lower, but the yield curve tightened further, the spread between the 2-Yr and 10-Yr U.S. Treasuries was merely +14 basis points at month-end. To some market pundits and economists, a yield curve inversion signals the possibility of economic pain in the near future. The S&P 500 reached an all-time high in mid-July and finished up 1.3%. In Europe, Christine Lagarde's nomination to replace Mario Draghi as president of the European Central Bank reinforced expectations of further easing. German bonds appreciated, but here too, spreads between the 2-Yr and 10-Yr tightened from 43 to 34 basis points. The Euro dropped 2.6% and the GBP lost more than 4% (vs. the USD), on Brexit uncertainty (Boris Johnson being the new PM) and contracting U.K. factory activity. The EuroStoxx 50 fell slightly (-0.20%). Oil prices slipped on concerns that the global economy could be slowing.

July was relatively calm: There were small or no changes in positions on bonds and equity indices. The more significant reductions were on the commodity-linked currencies (AUD and CAD vs. USD). The program saw gains on both "Bad-news Brexit" and "Euro-zone Growth Is Slowing" themes, mainly from short GBP and Euro positions, and on long ST rates (Euribor and Short Sterling) positions. The bigger losses were on the "Fed Is Not Cutting As Much As We Thought" theme: With losses on long U.S. ST rates (3M T-Bill) and U.S. medium and long-term bonds. The global exposure was systematically adjusted from 8.47% to 8.48%, with global exposure still remaining below average.

Clearly, the model is pausing. We will have to see if this is the calm before the storm, or the calm before the calm.

### 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

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### Explanatory Notes

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

### Disclaimer

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