

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 (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%	1.40%	-	-	-	-	10.64%
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%

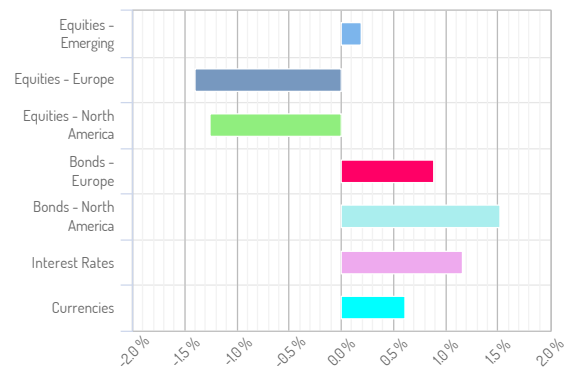
*Inception date: October 7, 2016.

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	2.53%
Trailing 12m Volatility	12.18%
Current Margin/Equity Ratio	6.13%
Current drawdown	-

Since Inception

Annualized Return	2.76%
Annualized Volatility	11.28%
Return / Volatility	0.25
Largest drawdown	-13.39%

Assets

NAV per Share	123.249032
Assets in Key Trends UCITS (approx.)	€ 22 000 000
Assets in Strategy (approx.)	\$ 410 000 000

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Leverage & VaR

Leverage	2 688%	VaR 99% 20 days	-5.53%
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Sources : KeyQuant, Bloomberg
Calculation : KeyQuant

Monthly Commentary

For the month ending August 30, 2019, the Key Trends UCITS (A-USD Shares) posted a net return of +1.40%, bringing the net YTD return to +10.64%.

Recession fears fueled a zig-zagging U.S. equities market and nearly all-time low yields on European and U.S. bonds. The fall-out from the U.S. / China trade war continued to play front and center news to the world financial markets. President Trump flip-flopped numerous times with threats and then back-peddling those threats (see zig-zagging S&P 500 price chart for August 2019). New Zealand, India and Thailand cut rates, while IMF officials flew to Argentina to assess the existing \$57bn bailout package. Equities in the U.S. and Europe were down on average 1% to 2%, while the 2Yr/10Yr U.S. Treasury yield curve inverted on August 26 until month-end as the 2Yr U.S. Treasury yields fell by 37 basis points to 1.50% and the 10-Yr U.S. Treasury dropped by 52 basis points to 1.50%. German bond yields also fell. The U.S. Dollar index advanced by nearly 1% while recession-worried investors fled to safe-haven gold, which jumped 7%.

The model remains apprehensive, with signals on equities cutting long positions from approximately 70% to 10% leverage (a 1% drop in equities leads to an approximate 0.1% loss in equities for the Key Trends UCITS (I-EUR Shares)). Exposure on currencies was increased from July with this asset class continuing to see uncertainty on the JPY and the CAD. Bond exposure was slightly increased. At month-end, the model was short or flat 6 out of 17 equity index markets traded.

In a month where equities were down 1% to 2%, we are pleased that the program was able to deliver positive performance.

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

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Explanatory Notes

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

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