

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%	-0.77%	-	-	-	9.79%
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%

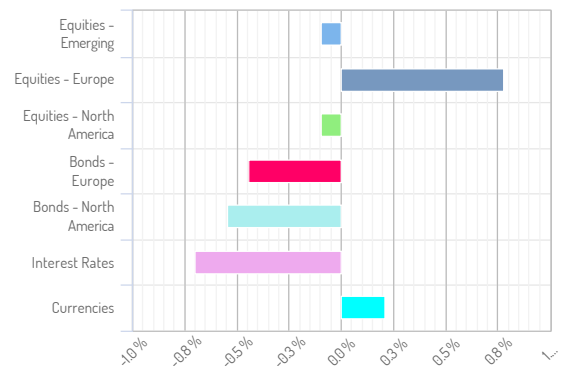
*Inception date: October 7, 2016.

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	2.49%
Trailing 12m Volatility	12.18%
Current Margin/Equity Ratio	7.47%
Current drawdown	-0.77%

Since Inception

Annualized Return	2.42%
Annualized Volatility	11.13%
Return / Volatility	0.22
Largest drawdown	-13.39%

Assets

NAV per Share	122.293131
Assets in Key Trends UCITS (approx.)	€ 22 000 000
Assets in Strategy (approx.)	\$ 360 000 000

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Leverage & VaR

Leverage	2.676%	VaR 99% 20 days	-6.85%
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Sources : KeyQuant, Bloomberg
Calculation : KeyQuant

Monthly Commentary

For the month ending September 30, 2019, the Key Trends UCITS (A-USD Shares) posted a net return of -0.77%, bringing the net YTD return to +9.79%.

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 (A-USD 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

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Explanatory Notes

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

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