

Dear Partners/Investors,

CFM Institutional Systematic Diversified Trust, an equally weighted allocation to CFM's Institutional Systematic suite of products, had estimated net performance of **+0.9858%** MTD and **+0.43%** YTD. As of end-September 2016, at 6% volatility, CFM ISDiversified had AUM of US\$450m, the IS products in total had AUM of US\$1.5bn and CFM firm-wide AUM stood at US\$6.9bn.

MONTHLY RETURN ATTRIBUTION

CFM ISDiversified Trust: +0.9858%

Long-Term Trend Following: +0.88%

September was a good month for trend following and the Short Term Interest Rate sector was alone in returning negatively. The month was relatively quiet with continued central bank chatter, OPEC's discussions to cap supply and the first US presidential debate the primary stories in the headlines.

The best performing sector was Commodities, with performance coming primarily from the meat sub-sector. Cattle and Hog prices fell through the month and the CME's December Lean Hog future fell 24%, producing good performance for the program's short positions. Hog prices have been forced down recently due to an abundance of supply with a DoA report released at month end adding to the selling pressure. Grains were a performance detractor, with Corn and Wheat rising through September against the program's short positions.

The FX sector was the second best performing asset class with all currency pairs contributing positively, with the exception of the Euro and the Swiss Franc. The best performers were the Mexican Peso and the Japanese Yen, with both contributing an approximately equal amount. The Peso fell through the month, generating positive cash flow for the program's short positions. The Mexican currency is one of the worst performers of the year, primarily due to persistently low oil prices, the Fed's impending rate rises and the possibility of a President Trump. The Yen rose in September in the run up to the Bank of Japan's announcement to cap the yield on 10 Year bonds and to deliberately overshoot their 2% inflation target. The Japanese Yen fell slightly following the news but the Japanese currency's rise remained a positive contributor for the program's long positions.

Equity indices contributed positively to performance, principally due to long positions in FTSE, MSCI and mini Nasdaq futures. Performance from long rates was flat while positioning in STIR futures detracted from performance primarily in the Australian and Canadian markets.

The worst period for the program was from 8 through 12 September, when losses exceeded 3% principally due to bonds, commodities and equity indices; this was followed by a streak of 8 consecutive days of positive performance. As we head into October, the program remains net long interest rates at both ends of the curve, a mix of long and short commodities with a net exposure close to zero, neutral to the dollar in FX and net long equity indices. The program turned its positioning on US bonds from long to short in September.

Equity Market Neutral: -0.13%

Momentum: +0.34%

The Momentum cluster was positive this month, mainly due to the performance of the European pool. The best and worst industry sectors were Basic Materials, and Consumer, Cyclical, respectively. The worst loss came from a long position on Twitter shares when the stock price soared by as much as 23% on 23 September following rumors that the social network was courting a few buyout offers.

Value: -0.43%

The Value program was down in Europe and US, and flat elsewhere. The best and worst sectors were Consumer, Cyclical, and Consumer, Non-Cyclical, respectively. Intra-month performance was smooth and roughly anti-correlated to the Momentum factor. No single-name event had a significant impact on global performance this month.

Quality: -0.04%

The Quality cluster was up in Europe, down in the US and flat elsewhere. The portfolio suffered from its short positions on GW Pharmaceutical PLC, whose stock price jumped 23% on 7 September after buyout rumors emerged. Later in the month, the same stock rose nearly 12% after the announcement that the drug maker achieved positive results in a particular clinical test. The best single name event was due to SBM Offshore on 2 September, when the program benefitted from a 11% down move after a Brazilian prosecutor failed to ratify a leniency agreement related to a bribery case concerning Petroleo Brasileiro SA.

Risk Premia: +0.26%

FX Carry Trade: -0.19%

The FX carry trade delivered negative performance in September with the biggest detractor being the Mexican Peso, followed by the Swiss Franc; the best performers were the South African Rand and the Australian Dollar. The Mexican Peso is one of the year's underperformers with oil prices and Donald Trump's rhetoric weighing heavily on the currency. September went the way of the rest of 2016, with the currency falling up until a late but small recovery at month-end. The program is long the Peso and therefore lost out through the month. The South African Rand, on the other hand, is one of the best performers of Q3 and rose in value through September, creating a net profit for the program's longs with the South African currency finding support from the central bank's decision to hold rates. The biggest performance day was 27 September when the program gained 0.25% on the Mexican Peso, the Turkish Lira and the South African Rand. The worst period was a 6 day losing streak from 7 through 14 September.

Short Volatility: +0.45%

The constant risk, short volatility strategy performed well in September, with each of the four asset classes contributing positively. The best performing sector was FX, while the worst was equity indices.

Despite a rally in the VIX at the beginning of the month followed by a fall back to month start levels, non-equity implied volatility conditions remained relatively subdued. The best performing delta hedged, short volatility position was from Euro options, which benefitted from a falling implied volatility through the month with a small reversal at month-end. Options on the British pound also returned positively, despite a fall in the UK currency as the market perceived an elevated probability of a hard Brexit from the EU for the country. Being short commodity volatility was also profitable mainly due to gold options with short oil options being relatively flat - the OIV index rising through the month. US 10 Year treasury implied volatility stayed low to produce positive performance, while the environment for equity indices proved a little more difficult to navigate, with only short Nikkei option positions proving profitable in September. The worst day for the program was 9 September when the program lost 0.2% principally due to equity index volatility exposure.

Please feel free to contact us for any additional information or with any questions you may have.

The Board: Jean-Philippe Bouchaud, Philippe Jordan, Marc Potters, Jacques Saulière

Note: the performance attribution figures for the underlying strategies are based on the benchmark fund, CFM ISDiversified Fund LP - USD Standard Leverage.

Unit Price **A\$.99876**
 September ROR **+0.99 %**
 Year to date ROR **+0.43 %**
 FUM ISD Trust **A\$47m**
 FUM¹ ISD Strategy **US\$497m**

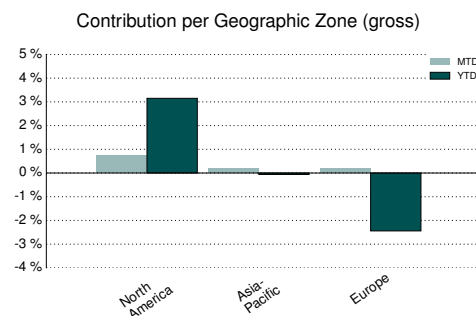
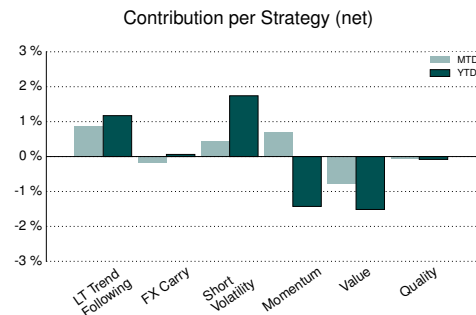
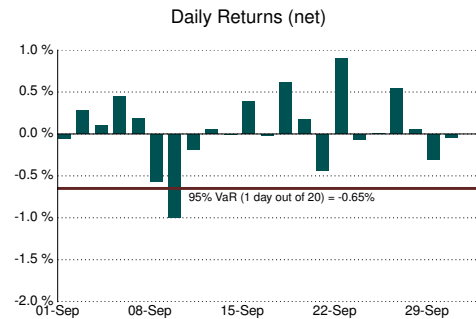
Estimated Monthly Report - September 2016

Fund Details

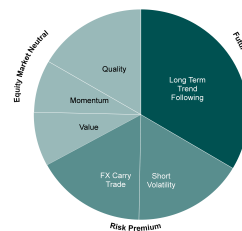
Fund Objective	To achieve long-term capital appreciation through returns that seek to be uncorrelated with traditional asset classes. The Fund targets a Sharpe Ratio exceeding 0.8 over the investment cycle.
Benchmark	N/A
Inception Date	11 Nov 2015
APIR	PIM0034AU
Mgt Fee	1 %
Performance fee	10 %
Buy/sell	N/A
Min Investment	\$ 50,000
Distribution frequency	Yearly as at 30 June
Pricing	Weekly
Investor time horizon	3 - 5 years

CFM ISDiversified Strategies

Futures	Long Term Trend Following: momentum in five asset classes
Risk Premia	FX Carry Trade: long high-yielding currencies; short low-yielding currencies Short Volatility: short delta-hedged options at constant risk
Equity Market Neutral	Momentum: long term trend on stock residuals Value: long value (low price to fundamentals) and short growth (high price to fundamentals) Quality: assessing stock quality using fundamental data



Risk Allocation by Strategy



Monthly Returns since Inception (%)

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
2015											0.0	-0.5	-0.5
2016	1.5	-0.2	-0.1	-3.1	0.9	-1.1	1.3	0.5	1.0				0.4

Performance Figures (%)

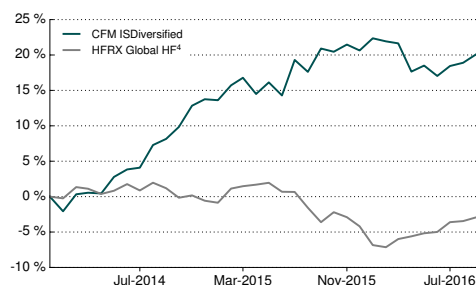
	1 month	3 months	Calendar YTD	1 Year	2 Years (annualised)	Since Inception (annualised)
CFM ISDiversified Trust ²	1.0	2.8	0.4			-0.1
Offshore strategy in USD ³	1.0	2.6	-0.4	-0.7	5.4	6.9

OFFSHORE STRATEGY IN USD ³

Performance Analysis

	Since Inception	Last 12 months
Total Cumulative Return	20.1 %	-0.7 %
Annualized Rate of Return	6.9 %	-0.7 %
% of Positive Months	63.6 %	50.0 %
Best Month	4.4 %	1.4 %
Worst Month	-3.3 %	-3.3 %
Peak to Valley Drawdown	-4.3 %	-4.3 %
Annualized Standard Deviation	5.7 %	4.5 %
Sharpe Ratio	1.2	-
Correlation ⁵ between ISDiversified and		
HFRX Global HF ⁴	0.32	-0.01
Barclay's Global Agg ⁶	0.15	0.42
MSCI World Index ⁷	0.21	-0.06

Cumulative Returns since Inception



Monthly Returns since Inception (%)

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
2014	-2.1	2.4	0.2	-0.1	2.3	1.0	0.2	3.1	0.8	1.6	2.7	0.8	13.8
2015	-0.1	1.9	0.9	-2.0	1.4	-1.6	4.4	-1.4	2.8	-0.4	0.8	-0.7	6.1
2016	1.4	-0.4	-0.2	-3.3	0.7	-1.2	1.2	0.4	1.0				-0.4

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IMPORTANT DISCLOSURES

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¹ FUM based on the leveraged equity of the Master fund of CFM ISDiversified.

² Returns based on the official NAV of CFM Institutional Systematic Diversified Trust - AUD 6% Volatility.

³ The benchmark fund is CFM Institutional Systematic Diversified Fund LP - USD 6% volatility

⁴ HFRX Global Hedge Fund Index

⁵ Correlation coefficients are calculated using daily time series

⁶ Barclays Capital Global Aggregate Bond Index USD Hedged Standard Leverage

⁷ MSCI World Index USD Daily Total Return Net