

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 **-3.12%** MTD and **-2.01%** YTD. As of end-April 2016, CFM ISDiversified had leveraged AUM of US\$372m, the IS products in total had leveraged AUM of US\$893m and CFM firm-wide leveraged AUM stood at US\$6.9bn.

MONTHLY RETURN ATTRIBUTION

CFM ISDiversified Trust: -3.12%

Long-Term Trend Following: -0.75%

Performance was negative across all sectors in April, with Commodities being the worst asset class. Negative performance in the commodity sector came principally from energy and grain contracts, with an approximately equal negative contribution, while the meats sub-sector was positive. Positioning on energy contracts suffered from the recent uptrend in Crude oil, seeing out the month at \$45 per barrel on the back of a declining dollar and hopes for a production freeze. Grains similarly reversed course compared to the long term trend and losses came primarily from Corn and Soybeans. The precious metals sub-sector was slightly negative with offsetting performance between the program's positively performing long Gold positions and negatively performing Platinum and Silver positions.

Coming in second place for negative performance was the interest rate sector, which was broadly negative across the board at both ends of the curve, with only Australian rates providing positive performance following a brush with deflation; the headline CPI falling 0.2% for the first three months of 2016. Canadian bank bills were the worst performer for the month in the interest rate sector, rallying following the publication of strong retail sales and higher inflation, making future rate increases more likely.

FX and equity indices delivered negatively in approximately equal amounts in April. The worst performers in FX were the Australian and Canadian dollars; the Aussie collapsing at month-end with the market anticipating future central bank rate cuts, while the Loonie was supported by a rising Crude price and good economic data. The best performer for FX was the program's long Yen positions, which benefited from the Yen's appreciation, in particular at month-end as the Bank of Japan surprised markets by choosing not to act against a strengthening currency. The strength of the Yen has been a persistent theme since the BoJ moved to negative rates at the end of January and prompted the market to assume that the central bank would act in order to remedy the situation. The program's performance for equity indices was negative, the worst performance coming from long NASDAQ positions, with the technology index taking a dive in the second half of the month. Bearish sentiment was globally strong in the last few days of the month with many developed market indices falling.

The worst day was April 19 when the program lost 1.3% with losses coming predominantly from Commodities and FX, as the dollar collapsed and energy prices rose, the resilient performance of oil creating a positive mood in the market. The biggest positive day was April 5, the program gaining 1% from moves in the FX and commodity markets. We finish the month with long bond and STIR positions, short equity index contracts, with the exception of the US, long dollar versus other currencies, with the exception of long Yen against the USD and a mix of commodity positioning which remains net short.

Risk Premia: -0.03%

FX Carry Trade: -0.04%

The month's worst performers were the Canadian dollar and the Japanese Yen, while the Mexican Peso, the New Zealand dollar and the Brazilian Real provided the most positive performance. The Yen has occupied the headlines in April with a persistent, stubborn trend in the direction of appreciation despite the Bank of Japan's effort to loosen monetary conditions. The Yen, providing very low rates of interest (if any), is thus a financing currency and appreciation therefore leads to losses for a carry portfolio. The Canadian dollar is similarly a funding currency, appreciated with rising oil prices and good economic data leading to losses for the program's short positions. The best performer was the Mexican Peso, which was negative halfway through the month, but regained to finish positively, as the US dollar dipped at month-end. The New Zealand dollar also benefitted from the weakening greenback, creating good performance for the program's longs, unlike its cousin, the Australian dollar which fell as data showed deflationary forces at work. The worst day of the month was April 7 when the program lost 1% mainly due to moves in the Mexican Peso and, to a lesser extent, the Australian and New Zealand dollars. The best day of the month was April 11, when the program gained 0.9% mainly on these same currencies but also the Brazilian Real.

Short Volatility: +0.02%

The program finished slightly positively in April, with positive performance from short bond and FX volatility positioning just offsetting negative performance from short commodity volatility, but principally from the worst performer in April, short equity index volatility. The negative performance from equity volatility positions came mainly during the second half of the month; the short Nikkei implied volatility position was the worst performer in April, while US equity option positioning delivered positively and EU equity volatility shorts were roughly flat. The VNKY increased sharply at the start of the month and stayed at elevated levels while other equity volatility indices rallied at month end. Being short FX vol was the best trade of the month, in particular for the Euro but also Sterling volatility fell to give good performance for the program's shorts. The worst day in April was the last day of the month, April 29, when the program lost 1.4% across the commodity, FX and equity index volatility positioning. Bearish sentiment was strong at month-end and many volatility indices rose. There were only seven negative days in April, with no particular outliers in the fourteen positive days.

Equity Market Neutral: -2.49%

Momentum: -0.49%

The Momentum strategy was negative on the largest developed market portfolios, Europe and America, and flat elsewhere. Despite a good start of the month, the cluster suffered from a global sell-off which took place in the following weeks. From an industry sector perspective, the performance was quite uniform.

Value: -0.39%

The Value cluster was flat in Europe and down elsewhere. Unfortunately, the anti-correlation with Momentum did not prevent the cluster from delivering negative performance for the month. No VaR limit was breached on a daily basis. The most notable single-name event was a positive performance on VMware Inc. on 20 April, when the shares of the cloud computing software provider jumped 14% after issuing stronger than expected first quarter earnings, the program making a profit from a long exposure.

Quality: -1.61%

The performance of Quality was negative across all sectors, particularly in the US; the majority of losses came from the Energy and Technology sectors and the best performing industry being Communication. The draw-down experienced by the Quality cluster this month corresponds to a 2.5 sigma event and is therefore well inside the statistical envelope. As Fundamental models turned out to be locally correlated to trend signals the Quality portfolio was unable to provide diversification for the global performance of the market neutral strategy.

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

Unit Price **A\$.97463**
 April ROR **-3.12 %**
 Year to date ROR **-2.01 %**
 FUM ISD Trust **A\$35m**
 FUM¹ ISD Strategy **US\$372m**

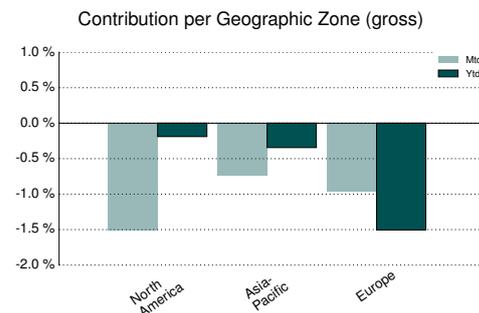
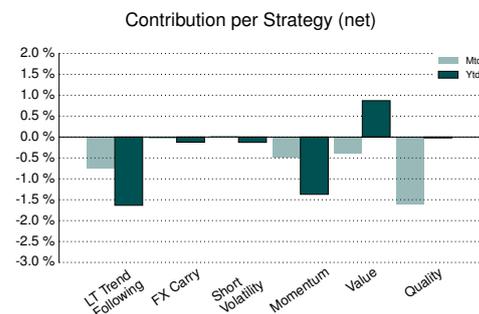
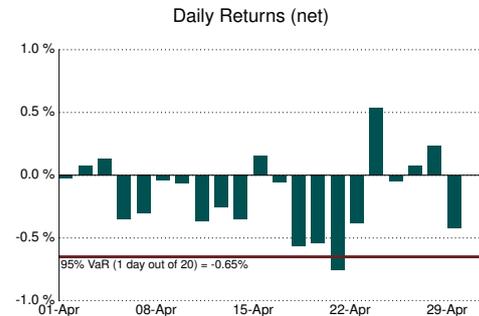
Estimated Monthly Report - April 2016

Fund Details

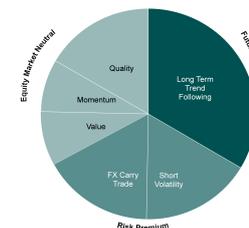
Fund Objective	To achieve long-term capital appreciation through returns that seek to be uncorrelated with traditional asset classes. The Fund targets a Sharpe Ratio exceeding 0.8 over the investment cycle.
Benchmark	N/A
Inception Date	11 Nov 2015
APIR	PIM0034AU
Mgt Fee	1 %
Performance fee	10 %
Buy/sell	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									-2.0

Performance Figures (%)

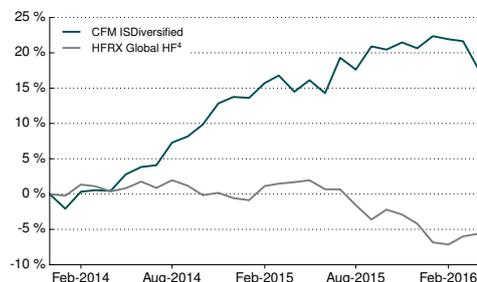
	1 month	3 months	Calendar YTD	1 Year	2 Years (annualised)	Since Inception (annualised)
CFM ISDiversified Trust ²	-3.1	-3.5	-2.0			-5.0
Offshore strategy in USD ³	-3.3	-3.8	-2.5	2.8	8.2	7.2

OFFSHORE STRATEGY IN USD ³

Performance Analysis

	Since Inception	Last 12 months
Total Cumulative Return	17.7 %	2.8 %
Annualized Rate of Return	7.2 %	2.8 %
% of Positive Months	60.7 %	41.7 %
Best Month	4.4 %	4.4 %
Worst Month	-3.3 %	-3.3 %
Peak to Valley Drawdown	-3.8 %	-3.8 %
Annualized Standard Deviation	6.1 %	7.2 %
Sharpe Ratio	1.2	0.4
Correlation ⁵ between ISDiversified and		
HFRX Global HF ⁴	0.35	0.13
Barclay's Global Agg ⁶	0.10	0.32
MSCI World Index ⁷	0.23	0.02

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									-2.5

CONTACTS

Tel: 1800-435-788

web: CFMAltBeta.com.au

e-mail: cfm@cfmaltbeta.com.au

IMPORTANT DISCLOSURES

This document is issued by Capital Fund Management LLP ("CFM LLP") in relation to the CFM Institutional Systematic Diversified Trust (the "Fund"). Pursuant to ASIC Class Order 03/1099, CFM LLP, the investment manager of the Fund, is exempt from the requirement to hold an Australian financial services license under the Corporations Act. CFM LLP is regulated by the UK Financial Conduct Authority under the law of England and Wales, which differ from Australian laws. The Trust Company (RE Services) Limited ABN 45 003 278 831, AFSL 235 150 ("Perpetual") is the trustee of, and issuer of units in the Fund. The information provided in this document is general information only and does not constitute investment or other advice. The content of this document does not constitute an offer or solicitation to subscribe for units in the Fund. CFM LLP accepts no liability for any inaccurate, incomplete or omitted information of any kind or any losses caused by using this information. Any investment decision in connection with the Fund should only be made based on the information contained in the applicable Public Disclosure Statement of the Fund. Performance figures assume reinvestment of income. Past performance is not a reliable indicator of future performance. An investment in the Fund carries significant risk of loss. Neither CFM LLP nor Perpetual guarantee repayment of capital or any particular rate of return from the Fund. Neither CFM LLP nor Perpetual give any representation or warranty as to the reliability or accuracy of the information contained in this document. All opinions and estimates included in this document constitute judgments of CFM LLP as at the date of this document and are subject to change without notice.

¹ FUM based on the leveraged funds of the Master fund of CFM ISDiversified

² Returns based on the official NAV of CFM Institutional Systematic Diversified Trust - AUD Standard Leverage

³ The benchmark fund is CFM Institutional Systematic Diversified Fund LP - USD Standard Leverage

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