

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 **-1.1233%** MTD and **-2.28%** YTD. As of end-June 2016, CFM ISDiversified had leveraged AUM of US\$445m, the IS products in total had leveraged AUM of US\$1.3bn and CFM firm-wide leveraged AUM stood at US\$7bn.

MONTHLY RETURN ATTRIBUTION

CFM ISDiversified Trust: -1.1233%

Long-Term Trend Following: +1.18%

June was a successful month for trend following, as a good start only got better following the volatility created by the surprise result of the UK referendum on the country's membership in the EU. All sectors were positive, with the exception of commodities, with interest rates leading the way, followed by FX and equity indices.

Even before the events of 23 June, central banks were dovish and bonds were looking flighty with a sustained rally dominating market headlines. Payrolls numbers at month-start proved disappointing and Janet Yellen expressed concern over the data and the possibility of the UK referendum result creating economic uncertainty. The ECB began buying corporate debt as part of its efforts to stimulate growth, and German debt continued to yield record low levels for investors, with Bund yields dipping below zero. The confirmation of the Brexit result early in the morning of 24 June only compounded these moves, with a flight to quality pattern driving all developed market government debt to new highs on the year. The positive performance in the interest rate sector was evenly distributed across all geographies.

Brexit was also the dominant talking point for FX markets, which proved profitable for the program with the Japanese Yen and British Pound providing the bulk of positive performance. The British Pound lost out against other currencies following the referendum result, benefitting the program's short positions. The Japanese Yen, meanwhile, continued to strengthen through June, a pattern amplified post-Brexit as the Japanese currency assumed its habitual role of safe haven and investors sought safety from the uptick in risk; the program's long positions benefitted as a result. Performance elsewhere was evenly distributed among currency pairs.

Equity index and commodity performance was relatively flat for the program in June. The US came through the month relatively unscathed despite the market stress, while markets elsewhere were generally down, with the exception of the FTSE 100, which rebounded following proposed post-referendum stimulus from the Bank of England. Program performance was evenly distributed with Europe positive, the US negative and Asia flat. Commodity markets delivered flat performance with the two principal offsetting contributors being precious metals as a beneficiary and energy as a detractor. Gold and silver rallied through the June market uncertainty, benefitting the program's longs while US Natgas rallied on the back of slowing supplies pointing to a tightening market, moving against the program's short positions.

The program is positioned slightly net long equity indices heading into the second half of the year, having flipped a few positions in June: long bonds and STIR contracts, net long the dollar, with only the New Zealand dollar and Japanese Yen being dollar shorts, while commodities remain net short with the exception of grains and precious metals. The biggest day of the month was 24 June, following the UK referendum result, when the program returned 1.3%, predominantly due to FX and interest rate moves.

Risk Premia: -0.43%

FX Carry Trade: +0.68%

The FX carry trade delivered positive performance in June, predominantly during the second half of the month. The best performing currencies were the New Zealand dollar, the British Pound and the Mexican Peso, while the main detractors were the Swiss Franc and the Canadian dollar. The dominant event in June for FX was the UK referendum result on the country's EU membership; the Brexit decision weighing heavily on the British Pound. The program is short Sterling, interest rates in the UK being low it therefore profited from the move. The New Zealand dollar was the best performer, however, the Kiwi rallying through the month on the back of a surprise decision by the country's central bank to leave rates unchanged, as the market consensus pointed to a cut. Elevated levels of volatility following the UK referendum result helped to keep the Swiss Franc from following the Euro, the Swiss currency generally being a safe haven currency, which resulted in negative

performance for the program's shorts. Performance was fairly evenly distributed through the month, the biggest day being the June 28 when the program gained 0.3%, the best performer on the day being the Mexican Peso.

Short Volatility: -1.11%

Elevated levels of risk through June provided a tough environment for the short volatility program; all sectors were negative with only hedged crude options producing positive performance. Implied volatility levels rose steadily through the month, in particular in Europe, presumably in anticipation of the result of the UK referendum; the peak in Eurostoxx, British Pound and Euro implied volatilities occurring a week before the announcement, for example. The VIX, on the other hand, logically peaked after the result of the vote, reaching 25 points, approximately the same level as seen in February, before falling back at month-end to levels seen at the beginning of June. The losses on the month predominantly came from a shared negative performance in the FX and equity index volatility sectors. The worst performer came from volatility positioning on the Euro, with volatility levels elevated throughout the month. The program's positioning delivered negative performance for the British Pound volatility, but less so than the Euro, with the run up in Sterling implied volatility having occurred over a protracted period of time prior to June. The program's short equity index volatility positions were negative for the Dax, Eurostoxx and Nikkei but flat for the mini S&P options. The worst day of the month was June 24, when the program lost 0.95% across all sectors, the worst being equity index and FX, following the confirmation of the Brexit result in the UK referendum.

Equity Market Neutral: -1.89%

Momentum: -0.60%

The Momentum cluster was negative across all geographical zones this month; the best and worst industry sectors were Basic Materials, and Consumer, Non-Cyclical, respectively. On Brexit day, performance was positive, with the main contributions coming from the US and European portfolios.

Value: -0.80%

The Value program was negative across all zones this month, excepting Australia. The Value cluster suffered the most after the Brexit result: Mining and Basic Materials companies had significant moves, in all likelihood due to their sensitivity to commodity prices after the vote. In particular, the worst single-name losses this month were due to Fresnillo PLC, a London-listed mining company active in Mexico, Gas Natural SDG SA, a natural gas utilities company operating in Spain, and EDP - Energias de Portugal, one of the major European electrical companies, all of them occurring on 24 June.

Quality: -0.50%

The Quality cluster was up in the US, down in Europe and Japan, and flat in Australia. Best and worst industry sectors were Consumer, Non-Cyclical, and Basic Materials, respectively. Brexit day performance was slightly negative; the largest positive and negative contributions that day both came from the automobile sector: Peugeot SA and Mazda Motor Corp detracting from performance and Volkswagen AG contributing positively.

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\$.97182**
 June ROR **-1.12 %**
 Year to date ROR **-2.28 %**
 FUM ISD Trust **A\$37m**
 FUM¹ ISD Strategy **US\$445m**

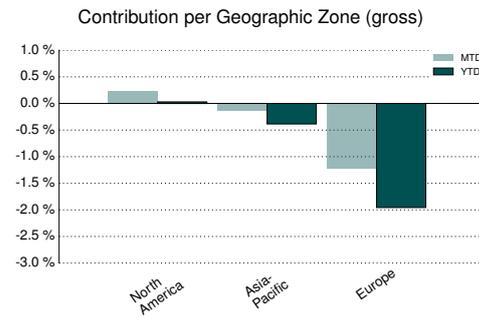
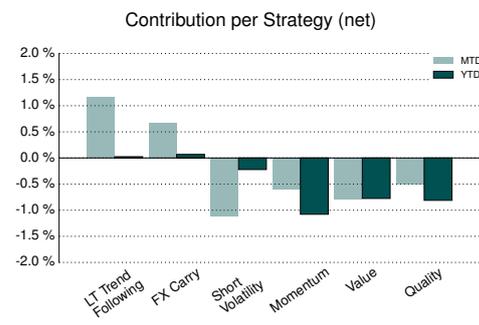
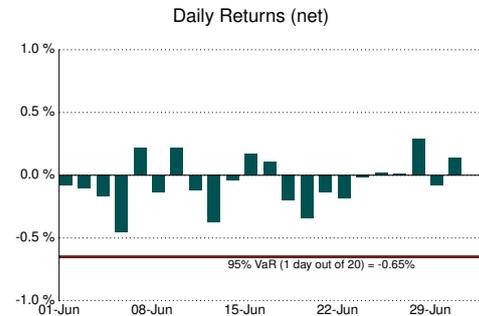
Estimated Monthly Report - June 2016

Fund Details

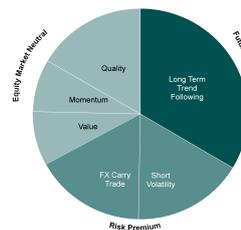
Fund Objective	To achieve long-term capital appreciation through returns that seek to be uncorrelated with traditional asset classes. The Fund targets a Sharpe Ratio exceeding 0.8 over the investment cycle.
Benchmark	N/A
Inception Date	11 Nov 2015
APIR	PIM0034AU
Mgt Fee	1 %
Performance fee	10 %
Buy/sell	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							-2.3

Performance Figures (%)

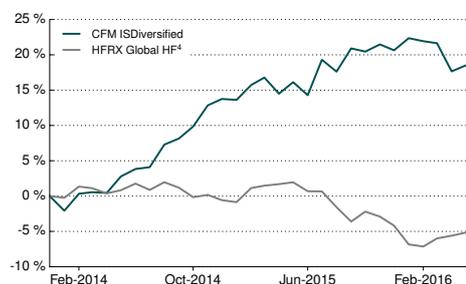
	1 month	3 months	Calendar YTD	1 Year	2 Years (annualised)	Since Inception (annualised)
CFM ISDiversified Trust ²	-1.1	-3.4	-2.3			-4.2
Offshore strategy in USD ³	-1.2	-3.8	-3.0	2.4	6.2	6.5

OFFSHORE STRATEGY IN USD ³

Performance Analysis

	Since Inception	Last 12 months
Total Cumulative Return	17.0 %	2.4 %
Annualized Rate of Return	6.5 %	2.4 %
% of Positive Months	60.0 %	41.7 %
Best Month	4.4 %	4.4 %
Worst Month	-3.3 %	-3.3 %
Peak to Valley Drawdown	-4.3 %	-4.3 %
Annualized Standard Deviation	6.0 %	7.0 %
Sharpe Ratio	1.1	0.3
Correlation ⁵ between ISDiversified and		
HFRX Global HF ⁴	0.32	0.03
Barclay's Global Agg ⁶	0.11	0.26
MSCI World Index ⁷	0.20	-0.03

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							-3.0

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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