

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 **+1.3048%** MTD and **-1.01%** YTD. As of end-July 2016, at 6% volatility, CFM ISDiversified had AUM of US\$498m, the IS products in total had AUM of US\$1.3bn and CFM firm-wide AUM stood at US\$7.1bn.

MONTHLY RETURN ATTRIBUTION

CFM ISDiversified Trust: +1.3048%

Long-Term Trend Following: +0.74%

July was a positive month for trend following, in particular in the commodity sector. The only asset class to deliver negative performance was Short Term Interest Rates.

The Commodity sector was the best performer in July and the best performing sub-sector was Energy. Crude prices fell through the month following the 2016 high reached in June, with downward pressure arising out of concerns of a glut, as US crude supplies showed an unexpected increase in the second half of the month. The crude market experienced its worst month of the year so far and the program's short energy positioning took full advantage, delivering positive performance predominantly for Crude, Brent and Gasoil. Also delivering positively were Meats, in particular the program's Lean Hog shorts; which profited from a price collapse as livestock producers continued to increase supply, the US hog herd rising to be the largest on record for the time of year. Precious metals also provided a good environment for the trend, in particular for the program's silver longs, tightening supplies pushing the metal higher in July.

The US nonfarm payrolls number at the beginning of the month surpassed expectations: jumping by 287k and easily beating the 175k forecast rise. US Treasury and Eurodollar Futures fell in anticipation of central bank comfort from a robust payrolls rebound, allaying fears of a slowdown in the labor market. Equity markets rose in July on a wave of optimism from this injection of confidence in the labor market and a stabilizing political climate in the UK, Theresa May taking over the reins of power as the UK's new Prime Minister and Shinzo Abe's sweeping victory in elections to Japan's upper house. US equity markets rose the most and the program's long positions benefitted.

Positioning in Interest Rate Futures provided globally positive performance at the long end of the curve, while STIR futures delivered negatively, in particular for the Eurodollar. The Fed message at the month's FOMC was one of unrushed, but quietly confident optimism, while Mario Draghi continued to steer the ECB in the direction of continued easing. The BoJ underwhelmed markets at month-end with a perceived lack of further stimulus to weaken the Yen. FX markets, meanwhile, provided flat performance for the program.

Heading into August, the program remains long bonds and STIR futures, flat equity indices outside of the US where the program is long, short commodities and mostly long dollar. The best performing day occurred on 5 July, when the program returned 0.4% with positive performance across the board, excepting equity indices; 12 July was the worst day, when the program returned -0.43%, with all sectors delivering negatively.

Risk Premia: +0.80%

FX Carry Trade: -0.03%

July was flat for the FX Carry program. Volatility in the FX market was decidedly lower than the heady days of June and positive performance for the Australian dollar, New Zealand dollar and South African Rand was principally offset by negative performance from the program's long positioning in the Mexican Peso. The Mexican Peso has experienced selling pressure recently amid uncertainty regarding its future relationship with the US, with the Republican party candidate, Donald Trump, threatening to pull out of the North America Free Trade Agreement. The program returned 0.3% on 8 July, the best day of the month, with positive performance coming mainly from the Mexican Peso, the Australian dollar and the New Zealand dollar.

Short Volatility: +0.83%

July was a good month for being short volatility as a sense of optimism returned to the market following the shock of the UK's Brexit vote in June: all sectors delivered positive performance through the month. The VIX continued its sell-off in July to finish at below 12 points, a low on the year. Leading the way in terms of

performance were the program's short hedged option positions in equity indices, with the US providing the best performance, followed by European and Japanese positioning. FX options were only just behind as predominantly euro volatility relaxed to new lows while British pound implied volatility fell but remained at more elevated levels. Being short commodity options provided positive performance for the program, principally due to gold option positioning. Gold implied volatility sold-off through July, while Crude implied volatility rose on the back of concerns of a build-up in crude supplies. Being short interest rate volatility also delivered positively with the program's short treasury option positioning benefitting from a reversion to lower levels of implied treasury volatility. The performance in July was nicely spread out through the month with no outliers of note.

Equity Market Neutral: -0.14%

Momentum: -0.42%

The Momentum strategy was negative across all geographical portfolios this month, with the exception of Australia. Sector-wise, Basic Materials was the best performer and Consumer, Non-Cyclical the worst. July earning season announcements brought the biggest contributor this month: shares of the U.S. apparel company Skechers plunged 23% after it posted deceiving second-quarter earnings well below analyst's forecasts. The long exposure of the portfolio lost on this move.

Value: -0.28%

Value was positive in Americas and Asia-Pacific, while Europe was the only negative zone. The best and worst sectors were Financial and Technology, respectively. In terms of single name contribution, the most notable event was the takeover of the UK semiconductor company ARM Holdings Plc by Softbank Group Corp in Japan. The Japanese telecommunication company agreed to buy ARM at a 43% premium for US\$32 billion. The portfolio was short ARM and experienced a loss when the stock jumped by 41% on the announcement.

Quality: +0.56%

The Quality cluster performed positively across all geographical zones. Consumer Cyclical posted robust performance while Consumer Non-Cyclical was the worst sector for the month. A profit warning at Olin Corp was responsible for the biggest single name move; the book's short position on the world's biggest chlorine producer gained when share price fell 21%, the most in six years.

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\$.98450
July ROR +1.30 %
Year to date ROR -1.01 %
FUM ISD Trust A\$39m
FUM¹ ISD Strategy US\$498m

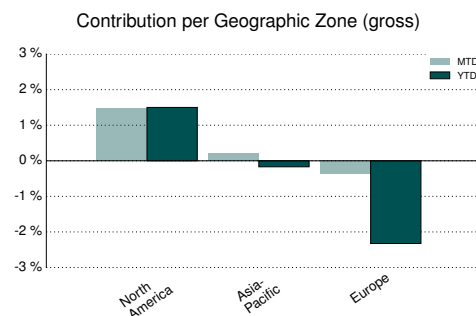
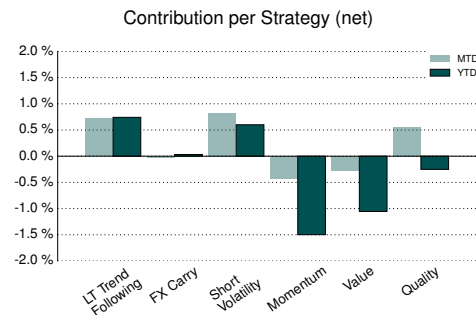
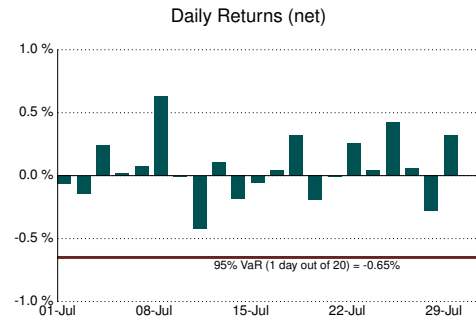
Estimated Monthly Report - July 2016

Fund Details

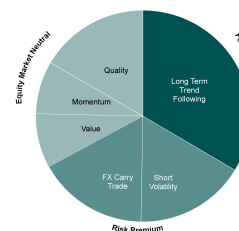
Fund Objective	To achieve long-term capital appreciation through returns that seek to be uncorrelated with traditional asset classes. The Fund targets a Sharpe Ratio exceeding 0.8 over the investment cycle.
Benchmark	N/A
Inception Date	11 Nov 2015
APIR	PIM0034AU
Mgt Fee	1 %
Performance fee	10 %
Buy/sell	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						-1.0

Performance Figures (%)

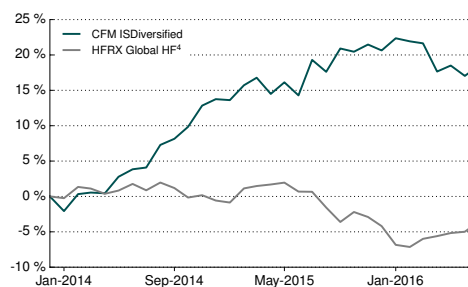
	1 month	3 months	Calendar YTD	1 Year	2 Years (annualised)	Since Inception (annualised)
CFM ISDiversified Trust ²	1.3	1.0	-1.0			-2.1
Offshore strategy in USD ³	1.2	0.7	-1.8	-0.7	6.7	6.8

OFFSHORE STRATEGY IN USD ³

Performance Analysis

	Since Inception	Last 12 months
Total Cumulative Return	18.4 %	-0.7 %
Annualized Rate of Return	6.8 %	-0.7 %
% of Positive Months	61.3 %	41.7 %
Best Month	4.4 %	2.8 %
Worst Month	-3.3 %	-3.3 %
Peak to Valley Drawdown	-4.3 %	-4.3 %
Annualized Standard Deviation	5.9 %	5.5 %
Sharpe Ratio	1.1	-
Correlation ⁵ between ISDiversified and		
HFRX Global HF ⁴	0.31	0.02
Barclay's Global Agg ⁶	0.11	0.27
MSCI World Index ⁷	0.20	-0.04

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						-1.8

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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