

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 **-0.4773%** MTD and **+1.54%** YTD.

As of end-March 2017, at 6% volatility, the CFM ISDiversified Strategy had AUM of US\$763m, the ISD Program, which includes managed accounts, had AUM of US\$1.6bn, while CFM firm-wide AUM stood at US\$8.2bn.

MONTHLY RETURN - CFM ISDIVERSIFIED TRUST: -0.4773%

The returns of CFM ISDiversified's underlying strategies (Long Term Trend Following, Equity Market Neutral, Risk Premia) represent gross "carve-out" figures resulting from an internal performance attribution process.

Long-Term Trend Following: -1.08%

Following the strong start to the year for trend following, March turned out to be a difficult month to navigate as the program was brought back to being flat for 2017; only equity indices returned positively, while all other sectors detracted from performance. The worst performer was interest rates, followed by commodities while the currency sector was not far behind.

Equity indices generally continued their upwards ascent in March, albeit hesitantly compared to earlier in the year, with most developed markets being at worst flat. The program is long across the board in the sector and finished the month with the same long positioning. The best performance came from the German Dax and the Nasdaq 225 long positioning, with both indices rallying by 3.8% and 2% respectively.

The biggest performance detractor was the interest rate sector in March, predominantly from the long end of the curve and predominantly from German debt, which reversed course mid-month. Hawkish comments from Janet Yellen at the beginning of the month weighed on US and other developed market bonds, while Mario Draghi initially contributed to the hawkishness and supported the Euro by stressing that there was no sense of urgency in further easing. A mid-month dovish rate hike from the Fed and a report, at month-end, citing ECB sources, claiming that Mr. Draghi's comments had been misinterpreted, lent weight to the reversal and contributed to a rapid sell-off in the Euro.

Commodity markets detracted from performance in March, primarily in the Softs sub-sector, followed by Energy and Meats. Oil markets turned in March with the sell-off pushing prices back to levels seen prior to the OPEC meeting at the end of November, when a reduction in supply was mutually agreed upon. The program's long energy positions produced negative cash flow in consequence. FX markets brought negative performance mainly due to the strength of the Mexican Peso and the weakness of the New Zealand dollar, both moves against the long term trend positioning. The Mexican currency has risen steadily following its dramatic fall since the election of Donald Trump while the New Zealand dollar fell in March as weak data reduced the chances of future rate rises.

Heading into the second quarter of 2017, the program is positioned long equity indices, slightly long the dollar and a mix of long and short in interest rate and commodity positions. Performance for the month was satisfactorily contained within the statistical envelope with the worst day being -0.5% on 21 March, with losses coming predominantly from equity indices and bonds on the day.

Equity Market Neutral: -0.04%

Momentum: +0.17%

The Momentum program had positive returns in US and Japan and was negative in Europe and Australia; the top and worst industry sectors were Energy, and Consumer, Non-Cyclical, respectively.

The program benefited from its long positions on Adidas AG, which were built following the up-trend of stock price over the last few months. On 8 March, the share price of the German company surged by about 10% when the market reacted positively to the CEO's unveiling of a set of higher targets for sales and profit through 2020, as well as a 41% percent rise in profit last year.

Value: -0.52%

The Value cluster was negative across all of the main geographic zones (Japan, Europe, and US) and flat elsewhere. From a sector perspective, the best and worst were Utilities, and Consumer, Non-Cyclical, respectively. The worst loss came from a short position on Mobileye NC on 13 March, when it became known that Intel Corp would acquire the Jerusalem-based company, which makes chips for cameras and driver-assistance features, for a 34% premium.

Quality: +0.31%

The Quality book delivered strong positive performance in Japan, and was flat elsewhere. The worst single-name loss came from Domino's Pizza Group PLC's long positions on 9 March, when the share price dropped by about 13% after the CEO reported a slowdown in sales growth, supposedly due to the fact that a cookie was taken away from a popular meal. These kind of idiosyncratic, largely unpredictable, events should be thought of as a regular reminder that the only way to mitigate such a risk is through a well-diversified, multi-national investment on a large pool of stock.

Risk Premia: +0.54%

FX Carry Trade: +0.12%

The FX carry portfolio was positive in March, with the Euro and the Australian dollar being the main performance detractors, while the Mexican Peso, the Indian Rupee and the Turkish Lira contributed the most to performance. The dollar climbed at the start of the month as a hawkish Fed kept the market on its toes with heightened expectations for a rate hike, which turned out to be accompanied by dovish comments when it finally materialised. The Euro took flight in March with a surprisingly hawkish Mario Draghi providing support for the single currency that disappeared at month-end, as a report circulated suggesting that Mr. Draghi's comments had been misinterpreted. The first quarter of the year has been a generally good environment for emerging currencies; the Mexican Peso continued on its post-Trump election northwards drift in March bringing positive cash flow for the program's long positions, while the Indian Rupee saw out a very successful quarter with a good performance through the month for the program's longs, as the central bank looks comfortable with gains in the currency. The program navigated March without any particular outliers, the worst day being March 21 with losses of -0.2%.

Short Volatility: +0.42%

March provided a good environment for short volatility positioning with all sectors delivering positively. Short hedged option positions in equity indices were the best performer, with only Crude Oil option markets detracted from performance. The VIX stayed low through the month and short mini S&P option positions were the best performer, followed by short Nikkei options. The TYVIX fell by 10% of its value in March, providing a good environment for hedged short 10-year options, the second best performer of the month. The OIV index, the worst performer for the portfolio, rallied from 25 to 32 points before falling back slightly towards month-end against a backdrop of collapsing oil prices, moving back to levels last seen in November 2016 thus creating a challenging environment for short option positioning. The risk envelope was respected in March with no outlier days and a smooth performance throughout the month.

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

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

Unit Price **A\$.99887**
 March ROR **-0.48 %**
 Year to date ROR **+1.54 %**
 FUM ISD Trust **A\$51m**
 FUM¹ ISD Strategy **US\$763m**

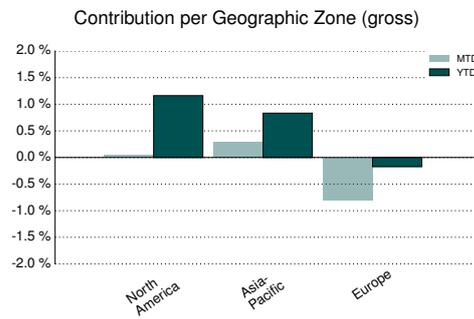
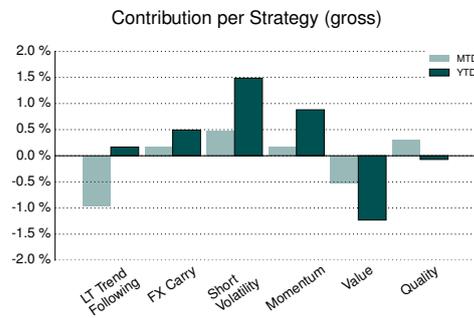
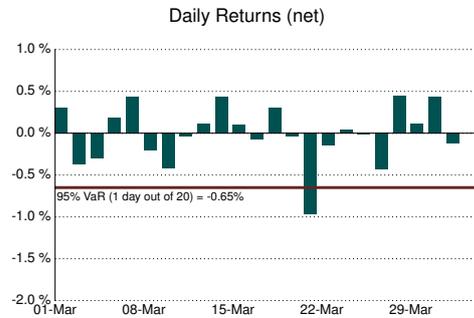
Estimated Monthly Report - March 2017

Fund Details

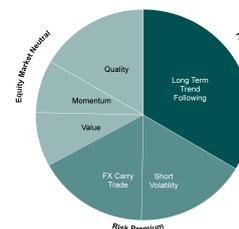
Fund Objective	To achieve long-term capital appreciation through returns that seek to be uncorrelated with traditional asset classes. The Fund targets a Sharpe Ratio exceeding 0.8 over the investment cycle.
Benchmark	N/A
Inception Date	11 Nov 2015
APIR	PIM0034AU
Mgt Fee	1 %
Performance fee	10 %
Buy/sell	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	-0.2	-1.5	0.1	-1.1
2017	-0.3	2.3	-0.5										1.5

Performance Figures (%)

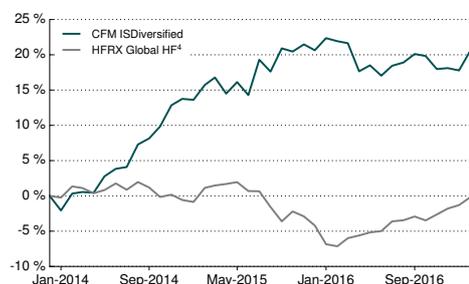
	3 months	6 months	Calendar YTD	1 Year	2 Years (annualised)	Since Inception (annualised)
CFM ISDiversified Trust ²	1.5	0.0	1.5	-0.7		-0.1
Offshore strategy in USD ³	1.5	-0.2	1.5	-1.5	1.3	5.7

OFFSHORE STRATEGY IN USD ³

Performance Analysis

	Since Inception	Last 12 months
Total Cumulative Return	19.9 %	-1.5 %
Annualized Rate of Return	5.7 %	-1.5 %
% of Positive Months	59.0 %	50.0 %
Best Month	4.4 %	2.4 %
Worst Month	-3.3 %	-3.3 %
Peak to Valley Drawdown	-4.3 %	-3.8 %
Annualized Standard Deviation	5.6 %	5.1 %
Sharpe Ratio	1.0	-
Correlation ⁵ between ISDiversified and		
HFRX Global HF ⁴	0.32	0.15
Barclay's Global Agg ⁶	0.15	0.29
MSCI World Index ⁷	0.21	0.11

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	-0.2	-1.5	0.1	-2.1
2017	-0.3	2.4	-0.6										1.5

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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