

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 **+2.1095% MTD** and **+4.92% YTD**.

As of end-August 2017, CFM ISDiversified Trust at 6% volatility had equity of AUD\$54m, the ISD Program, which includes managed accounts, had AUM of US\$2.1bn in leveraged equity (US\$1.9bn in equity), while CFM firm-wide AUM stood at US\$9.5bn in leveraged equity (US\$7.5bn in equity).

MONTHLY RETURN - CFM ISDIVERSIFIED TRUST: +2.1095%

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: +0.52 %

August proved to be a good month for trend following with every sector delivering positively with the exception of FX, which nonetheless finished the month only slightly in the red. August exhibited classic flight-to-quality characteristics with haven assets such as US treasuries, Gold and the Swiss Franc being lifted by the rhetoric between the US and North Korea in response to developments concerning the country's nuclear ambitions.

Bond markets provided positive performance for the program in August with a slight net long in the sector, coming principally from German bond futures and UK Gilts positions, bringing positive performance following August's flight-to-quality support. Performance in the US and Asia detracted and month-end net exposure remains short in these geographical zones. At the short end of the curve a similar pattern emerged with positive performance coming principally from Short Sterling and Euribor futures. Equity indices saw out the month positively despite the gyrations arising from geopolitical concerns. Asian equities were the principal driver of the positive returns with good performance coming from the program's long Hang Seng positions, the Hong Kong index having rallied in August. FX was negative in August with losses on the New Zealand dollar outweighing gains elsewhere in the portfolio.

The biggest losing streak for the program was a loss of 1.3% from 9 through 11 August. The losses came principally from equity indices as President Trump stated that North Korea risked "fire and fury" if the country threatened the US, the regime responding shortly afterwards that it was considering strikes near the island of Guam. The performance in the first three days of the week that followed were, however, the best of the month with the program returning 0.9%. Heading into September the program remains long equity indices, net long bonds albeit with a net short in Asia and the US, long in STIR futures and net short the dollar.

Equity Market Neutral: +2.03 %

Momentum: +1.09%

Momentum was positive in August, continuing on from last month's good performance. All industrial sectors contributed positively as did all geographical zones. The best sector was Consumer, Non-Cyclical while the best contributing zone was the US. The biggest single name event was due to Spirit AeroSystems Holdings, Inc., an aircraft parts designer and manufacturer of commercial aero-structures. The stock jumped 17% on 2 August on the back of good operating performance in Q2; the cluster's long positions benefitted from the price move.

Value: -0.14%

Value detracted from August performance with the best and worst performing industrial sectors of Consumer, Cyclical and Financial respectively. Performance was a mixed bag across zones with a positive contribution from Japan and the US, while Europe and Australia both detracted. The biggest single name event was a loss on 1 August when Rolls Royce Holdings PLC announced better than expected earnings, making the stock rally, creating a loss in moving against the cluster's short positions.

Quality: +1.09%

Quality contributed positively in August with Japan detracting and the US and Europe gaining. Consumer, Non-Cyclical was the best performing industrial sector and Utilities was the worst. The biggest single name move came on 15 August when Advance Auto Parts, Inc's shares dropped 23% to \$84.19 after the company reported weaker than expected profits for the second quarter of the year. The company warned that the weak demand that has been a drag on car component retailers this year looks set to continue. The Virginia-based company also trailed analysts' estimates for second quarter sales and profits. The Quality cluster was short

and therefore gained on the move.

Risk Premia: +0.40%

FX Carry Trade: +0.29%

The FX Carry program finished the month positive as the US dollar lost ground against the currencies of most developed and emerging economies, amid another month of political turmoil surrounding Donald Trump's presidency. The program's biggest gains came from the long positioning on the Turkish Lira, which reached a 2-month high against the US dollar in August, and on the South African Rand, which rallied against the dollar during the second half of the month. The program also benefited from its short positioning on the British pound, which depreciated against the US dollar for the better part of the month amid weaker economic data and the anticipation of tough Brexit trade talks. The program's biggest loss came from a long position on the New Zealand dollar, which lost ground against the US dollar as inflation outlook softened following the release of weak economic data. The program also suffered from a rise of the Euro vs the US dollar on 25 August as ECB President Mario Draghi took a pass on talking down the common currency at the Jackson Hole economic symposium.

Short Volatility: +0.10%

The risk controlled, systematic short, delta-hedged option program finished the month positive. The program benefited from low volatility across all asset classes throughout the month, with only Equity volatilities fluctuating significantly amid increasing geopolitical tensions. The VIX index peaked on 10 August as the US stock market suffered its steepest decline in three months following a bellicose press conference by President Donald Trump over North Korea. The VIX peaked again on 17 August following the defection of multiple Wall Street leaders in key presidential advisory committees, in reaction to Mr. Trump's response to a white-supremacist rally in Charlottesville, VA. The peak also came as news broke of a terror attack in Barcelona, Spain, which sent Equity volatility up in Europe and Japan on the following day. The best performance came from the short positioning on Crude Oil. The worst performance came from the uptick in Euro volatility following Mario Draghi's comments at the Jackson Hole economic symposium on 25 August.

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\$ 1.02424**
 August ROR **+2.11 %**
 Year to date ROR **+4.92 %**
 FUM ISD Trust **A\$54m**
 FUM¹ Master **US\$1.1bn**

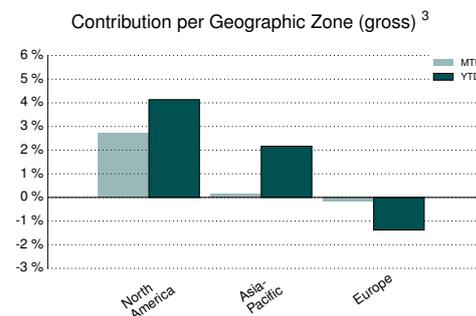
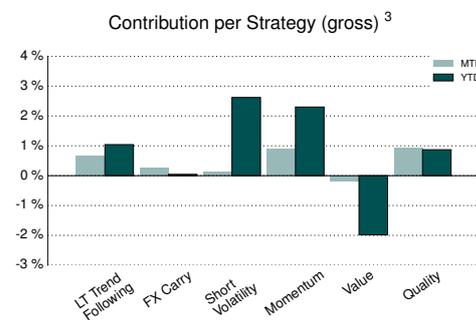
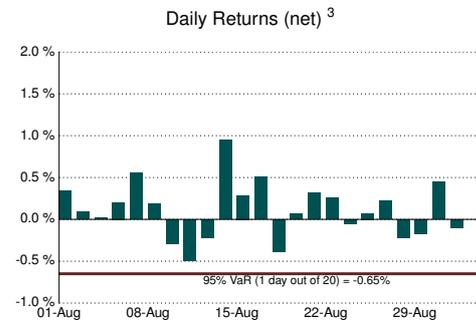
Estimated Monthly Report - August 2017

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 %
Fund Expenses	Capped at 0.3 %
Performance fee	10 %
Buy/sell	N/A
Min Investment	\$ 50,000
Distribution frequency	Yearly as at 30 June
Pricing	Daily
Investor time horizon	3 - 5 years

CFM ISDiversified Strategies

Futures	Long Term Trend Following: momentum in four 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	0.5	-0.2	-1.8	2.8	2.1					4.9

Performance Figures (%)

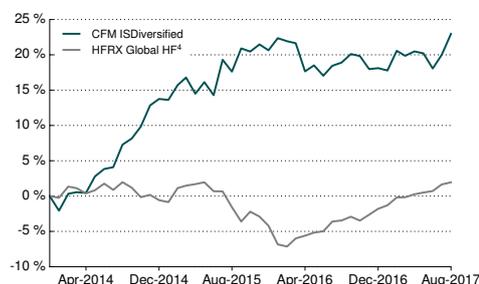
	3 months	6 months	Calendar YTD	1 Year	2 Years (%pa)	3 Years (%pa)	Since Inception (annualised)
CFM ISDiversified Trust ²	3.1	2.8	4.9	4.4			1.8
Offshore strategy in USD ³	2.3	2.0	4.1	3.4	2.3	4.7	5.8

OFFSHORE BENCHMARK STRATEGY IN USD ³

Performance Analysis

	Since Inception	Last 12 months
Total Cumulative Return	23.0 %	3.4 %
Annualized Rate of Return	5.8 %	3.4 %
% of Positive Months	59.1 %	50.0 %
Best Month	4.4 %	2.5 %
Worst Month	-3.3 %	-1.8 %
Peak to Valley Drawdown	-4.3 %	-2.1 %
Annualized Standard Deviation	5.5 %	4.8 %
Sharpe Ratio	1.0	0.6
Correlation ⁵ between ISDiversified and		
HFRX Global HF ⁴	0.33	0.42
Barclay's Global Agg ⁶	0.14	0.19
MSCI World Index ⁷	0.23	0.41

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	0.5	-0.2	-1.8	1.6	2.5					4.1

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IMPORTANT DISCLOSURES

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¹ FUM based on the equity of the master fund of the Fund, R CFM Diversified Fund, which is trading in accordance with the CFM ISDiversified trading program, as modified to accommodate the rules and restrictions imposed by UCITS, Directive 2014/91/EU such as the restriction to invest in commodities underlyings.

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

³ The figures for the CFM ISD Program are based on the performance of the offshore fund, CFM Institutional Systematic Diversified Fund LP - USD 6% Volatility ("CFM ISD LP"), which applies a similar trading strategy and target volatility as the Fund. Since June 2017, the performance of the Fund is, however, not fully comparable with that of CFM ISD LP which includes an allocation to commodities (that is compensated by a slightly lower allocation to the other asset classes) that is not included in the Fund.

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