

Fund objective

CFM Institutional Systematic Trends (ISTrends) is an Alternative Beta program which aims to achieve long term capital appreciation through returns that seek to be uncorrelated with traditional asset classes.

Key facts

A\$94268	Unit Price
-0.36%	May ROR
+2.83%	Year to date ROR
A\$131m	FUM IST Trust [1]
US\$2bn	FUM ISTrends [1]

Key benefits

- A diversified multi-asset approach
- Risk managed to a target volatility
- Low historical correlation to traditional asset classes
- Aims to provide cost effective access to alternative strategies

IST Trust monthly returns since inception (%) [2]

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
2017							0.7	1.8	-1.0	3.7	0.7	1.8	8.0
2018	6.1	-7.1	0.1	0.8	-2.9	0.3	0.0	2.7	-1.1	-4.3	-3.0	-2.5	-10.9
2019	-1.3	1.1	2.9	0.6	-0.4								2.8

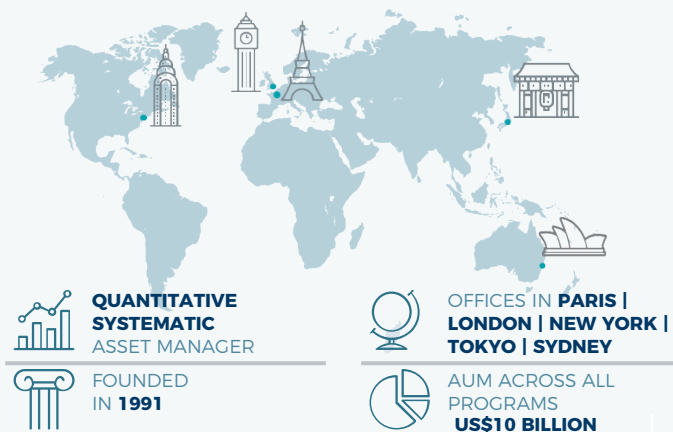
Performance figures (%) [2]

	3 months	6 months	Calendar YTD	1 Year	2 Years (%pa)	3 Years (%pa)	Since Inception (%pa)
CFM ISTrends Trust	3.1	0.3	2.8	-5.1			-0.6
Offshore strategy in USD	4.4	2.1	4.4	-3.2	-0.7	-0.6	6.0

Fund details

Strategy	A low turnover, long term trend following portfolio that seeks to harvest momentum returns via futures contracts in five asset classes over a universe of approximately 100 individual futures and forwards contracts.
Inception date:	July 1, 2017
AIPR:	PIM1966AU
Management fees:	0.60%
Fund expenses:	Capped at 0.2%
Performance fee:	10%
Buy/sell:	Nil
Min investment:	A\$50,000
Distribution frequency:	If any, annually as of 30 June
Pricing:	Daily [2]
Investor time horizon:	3-5 years
Benchmark:	Nil

CFM overview



CFM approach

Research

A dynamic research team dedicated to developing new strategies, improving execution algorithms and refining portfolio construction techniques

Technology

Developing proprietary platforms to implement structured trading strategies across key exchanges

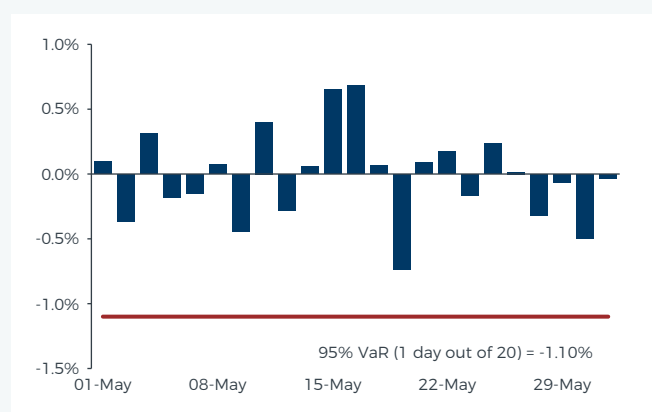
Risk Management

An independent risk team providing a multi-layered approach to market and operational risk

Collaboration

A collegiate culture of cross-discipline teams fosters an environment of innovation and performance

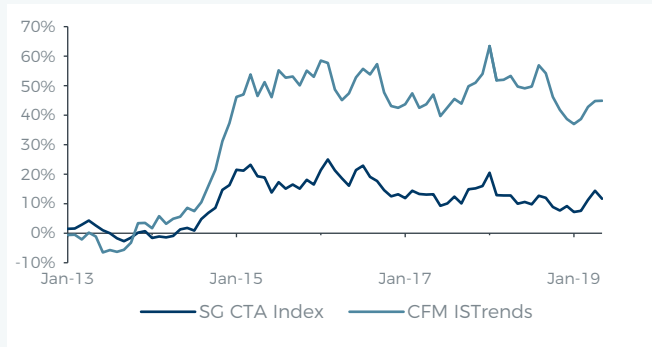
Daily returns (net)



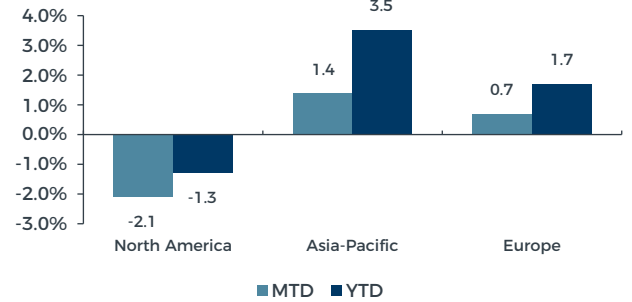
Unless otherwise stipulated, all monthly performance figures are based on the official NAV of CFM ISTrends Trust Class A Units. Returns are net of management and incentive fees.

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Compounded returns since inception



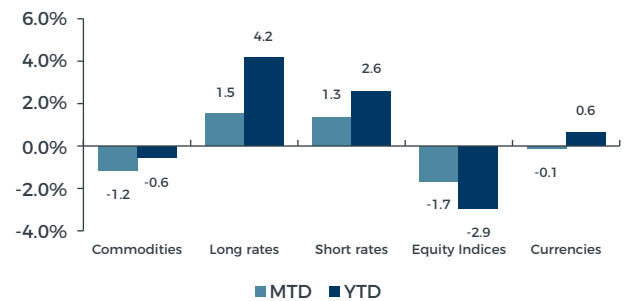
Contribution per geographic zone (gross)



Performance analysis

	Since Inception	Last 12 months
Total Cumulative Return	44.9%	-3.2%
Annualized Rate of Return	5.9%	-3.2%
% of Positive Months	59.7%	50.0%
Best Month	8.0%	4.8%
Worst Month	-7.1%	-5.2%
Peak to Valley Drawdown	-16.1%	-12.7%
Annualized Standard Deviation	11.2%	9.4%
Sharpe Ratio	0.5	-
Correlation [4] between IST and		
SG CTA Index [5]	0.75	0.78
Barclays Global-Agg [6]	0.19	0.12
MSCI World Index [7]	0.15	0.06

Contribution per asset class (gross)



Monthly returns since inception (%)

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
2013	-0.6	0.1	-1.6	2.3	-1.3	-5.5	0.8	-0.6	0.7	2.5	6.8	0.1	3.5
2014	-1.8	4.0	-2.4	1.6	0.7	2.9	-1.0	2.8	5.0	4.8	8.0	4.6	32.7
2015	6.5	0.5	4.7	-4.7	3.2	-3.4	6.2	-1.6	0.3	-2.0	3.3	-1.4	11.4
2016	3.6	-0.5	-5.7	-2.4	1.5	3.7	1.9	-1.2	2.2	-6.1	-3.1	-0.4	-6.8
2017	0.8	2.6	-3.3	0.8	2.3	-5.0	2.1	2.1	-1.1	4.1	0.8	2.0	8.1
2018	6.1	-7.1	0.1	0.9	-2.4	-0.4	0.4	4.8	-1.7	-5.2	-3.0	-2.2	-9.9
2019	-1.3	1.3	3.0	1.4	0.0								4.4

For further details



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CFM ISTrends strategies



Trends

Long Term Trend Following

Seeks to extract returns from momentum across five asset classes with equal risk allocation to each

Portfolio construction uses a proprietary, adapted mean variance optimisation technique.

Unless otherwise stipulated, all monthly performance figures are based on the official NAV of CFM ISTrends Trust Class A Units. Returns are net of management and incentive fees.

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Footnote definitions

1. FUM based on the FUM of the ISTrends Program expressed in terms of equivalent risk of 10%.
2. The fund changed its liquidity from weekly to daily effective 1 June 2018. As of 18 May 2018 CFM ISTrends Trust fully redeemed from its Master fund and restarted trading at the level of CFM ISTrends Trust.
3. The offshore strategy benchmark fund is CFM ISTrends Fund LP - USD 10%, which has a different fee structure, expenses and a slightly different trading universe compared to CFM ISTrends Trust.
4. Correlation coefficients are calculated using daily time series.
5. SG CTA Index USD Daily (ticker: NEIXCTA).
6. Barclays Capital Global Aggregate Bond Index USD Hedged.
7. MSCI World Index USD Daily Total Return Net.

Important Disclosures

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CFM ISTrends Trust - Class B Units

Alternative Beta
May 2019

Fund objective

CFM Institutional Systematic Trends (ISTrends) is an Alternative Beta program which aims to achieve long term capital appreciation through returns that seek to be uncorrelated with traditional asset classes.

Key facts

A\$.89693	Unit Price
-0.63%	May ROR
+3.79%	Year to date ROR
A\$131m	FUM IST Trust [1]
US\$2bn	FUM ISTrends [1]

Key benefits

- A diversified multi-asset approach
- Risk managed to a target volatility
- Low historical correlation to traditional asset classes
- Aims to provide cost effective access to alternative strategies

IST Trust monthly returns since inception (%) [2]

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
2017							1.1	3.0	-1.7	6.2	1.1	3.0	13.1
2018	10.2	-12.1	0.0	1.2	-4.5	0.4	-0.1	4.0	-1.7	-6.4	-4.5	-3.8	-17.6
2019	-2.1	1.6	4.2	0.8	-0.6								3.8

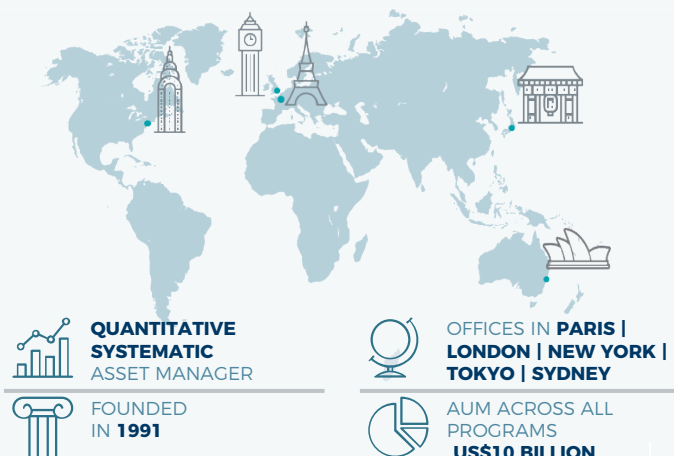
Performance figures (%) [2]

	3 months	6 months	Calendar YTD	1 Year	2 Years (%pa)	3 Years (%pa)	Since Inception (%pa)
CFM ISTrends Trust	4.3	-0.2	3.8	-8.6			-1.8
Offshore strategy in USD	6.4	2.6	6.2	-6.0	-2.5	-2.0	-5.2

Fund details

Strategy	A low turnover, long term trend following portfolio that seeks to harvest momentum returns via futures contracts in five asset classes over a universe of approximately 100 individual futures and forwards contracts.
Inception date:	July 1, 2017
AIPR:	PIM8130AU
Management fees:	1.125%
Fund expenses:	Capped at 0.3%
Performance fee:	Nil
Buy/sell:	Nil
Min investment:	A\$50,000
Distribution frequency:	If any, annually as of 30 June
Pricing:	Daily [2]
Investor time horizon:	3-5 years
Benchmark:	Nil

CFM overview



CFM approach

Research

A dynamic research team dedicated to developing new strategies, improving execution algorithms and refining portfolio construction techniques

Technology

Developing proprietary platforms to implement structured trading strategies across key exchanges

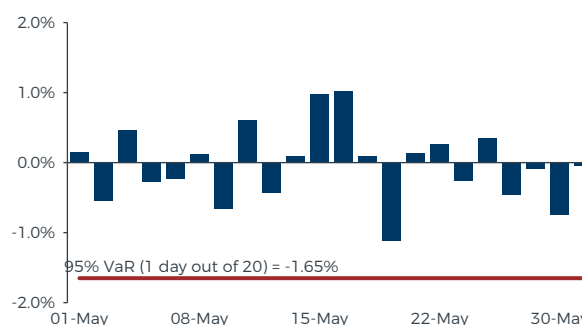
Risk Management

An independent risk team providing a multi-layered approach to market and operational risk

Collaboration

A collegiate culture of cross-discipline teams fosters an environment of innovation and performance

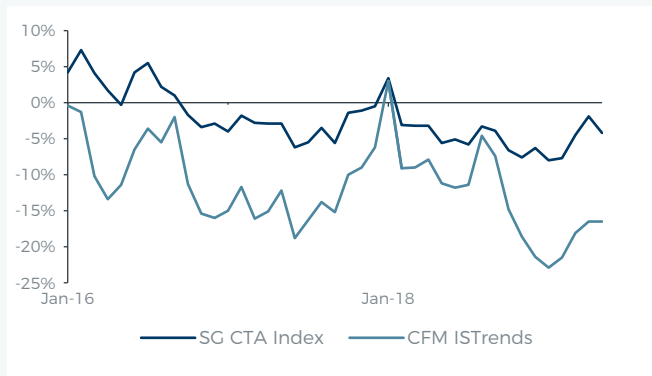
Daily returns (net)



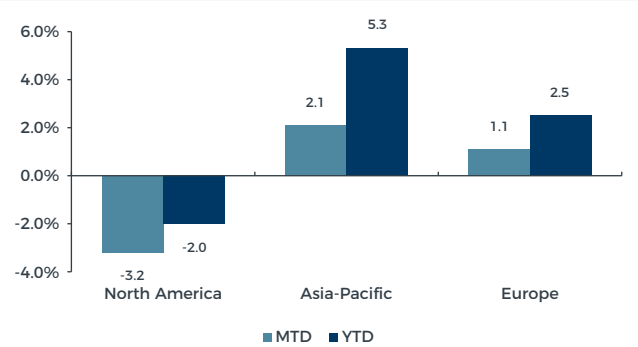
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Compounded returns since inception



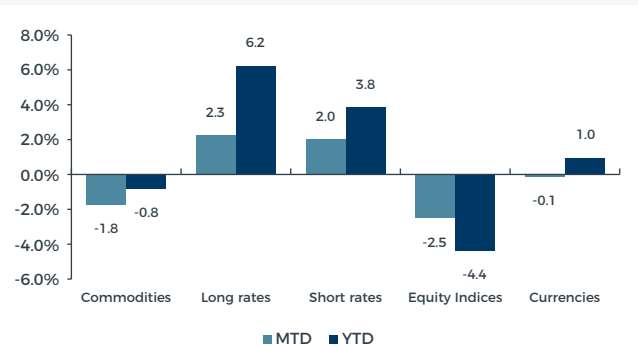
Contribution per geographic zone (gross)



Performance analysis

	Since Inception	Last 12 months
Total Cumulative Return	-16.5%	-6.0%
Annualized Rate of Return	-5.1%	-6.0%
% of Positive Months	51.2%	41.7%
Best Month	9.8%	7.7%
Worst Month	-11.7%	-7.9%
Peak to Valley Drawdown	-25.2%	-19.2%
Annualized Standard Deviation	16.3%	14.4%
Sharpe Ratio	-	-
Correlation [4] between IST and		
SG CTA Index [5]	0.79	0.78
Barclays Global-Agg [6]	0.16	0.11
MSCI World Index [7]	0.10	0.06

Contribution per asset class (gross)



Monthly returns since inception (%)

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
2016	-0.4	-0.8	-9.0	-3.6	2.3	5.6	3.2	-2.0	3.7	-9.5	-4.6	-0.7	-16.0
2017	1.2	3.8	-4.9	1.2	3.4	-7.6	3.1	3.0	-1.7	6.2	1.1	3.0	11.6
2018	9.8	-11.7	0.1	1.2	-3.6	-0.7	0.5	7.7	-3.0	-7.9	-4.6	-3.4	-16.2
2019	-2.0	1.8	4.4	2.0	-0.1								6.2

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Key performance figures

Performance	FUM
-0.3625% Class A Monthly Return	A\$131m leveraged FUM / A\$108m equity ISTrends Trust (10% vol)
+2.8300% Class A YTD Return	US\$2bn leveraged FUM / US\$1.6bn equity ISTrends Program (10% vol)
-0.6271% Class B Monthly Return	US\$10bn leveraged FUM / US\$8.2bn equity Firm-wide
+3.7905% Class B YTD Return	
-2.36% SG CTA Monthly Return	
+2.22% SG CTA YTD Return	

Performance report

- ▶ Trade negotiations between the world's two largest economies continued under heavy scrutiny from markets. Safe-haven assets were favoured over equities as US Treasuries' yields tumbled as investors wagered that the US Federal Reserve (Fed) was likely to ease monetary policy in light of the escalation in US-China trade tensions, which, in turn, might stymie global growth. The US 10-year benchmark yield sagged 38 basis points (ending the period at 2.1% - the lowest level since September 2017).
- ▶ The cocktail of growing geopolitical tension, worries about global growth, and political uncertainty in Europe (as UK Prime Minister May resigned and Italian politicians disagreed with Brussels) all contributed to global bonds falling in unison: the German Bund ended the month down by 22 basis points and reached an all-time intraday low during the period.
- ▶ Moreover, the US 3-month/10-year yield inverted for a second time in 2019 (after having inverted in March), with the inversion deepening towards the end of the month.
- ▶ Oil prices were another victim of the seemingly deterioration in talks, with the active Brent contract falling 14% over the month as markets feared a dent in demand as a slowdown in global growth becomes more likely.
- ▶ During the final days of the period, President Trump vowed to impose a 5% tariff on Mexican goods as a retaliatory measure in the current administration's anti-immigration drive, furthering unsettling markets.

Trends

The Trends strategy was negative in May; positive performance came predominantly from fixed income asset classes, but more than offset by negative returns from Equity Indices and Commodities, specifically the soft commodities subsector. Within the Bonds sector, a short position in the US 2-year bond offered the most negative returns as the yield of the bond dipped by 38 basis points over the period - markets ramping up bets that monetary policy might be eased by the US central bank. The yield of the bond slipped 11.2% during the last week of the month, the biggest weekly drop since the first week of June 2016. Most other contracts (in the net long exposure Bonds sector) delivered positive returns - the long position in the German 10-year Bund being the standout. The German, like the Treasury curve, shifted lower with the yield on the Bund tumbling by 22 basis points and touching a record low of -0.213%. Long positions in all except one of the Short Term Interest Rates delivered positive returns, as markets are expecting lower rates in the near-term future.

Currencies ended the month negatively, as a net short dollar position lost, against the Mexican peso. The Mexican currency ended 3.4% down against the dollar. Most of the losses came during the last week when President Trump threatened to impose sanctions against Mexico over the continuing immigration dispute. Despite a Fed showing some dovish sentiment, the US dollar is benefitting from interest rates and a domestic economy that is, in relative terms, still higher and stronger than other global markets. The DXY dollar index gained 0.3% in May, a fourth consecutive monthly gain.

Commodities delivered negative returns over the period. All subsectors contributed negatively - with the exception of Meat - with most losses coming from the Grains subsector. The strategy's net short position in this sector suffered, especially from short positioning in Corn and Hard Red Winter wheat as flooding in the US Midwest prompted worries over lower inventory levels. The two contracts gained 17.8% and 20% respectively.

Equity Indices, the worst performing asset class, ended in the red as most global aggregate indices fell over the period on the strategy's net long exposure. The strategy's long position in the mini Nasdaq made the most negative gains, the contract ending the month down 8.5%.

At the start of June, the program maintains its net long Bonds, Short Term Interest Rate, Equity Indices and dollar positions. The Commodity sector remains slightly net short.