

# Aspect Absolute Return Fund - Class A

Monthly performance report - 31 October 2021

## Key data

|                                    |                 |                                    |  |
|------------------------------------|-----------------|------------------------------------|--|
| <b>APIR code</b>                   | FSF3532AU       | <b>Investment objective</b>        | To produce consistent absolute returns that are independent of overall movements in traditional stock and bond markets. The fund aims to provide a return greater than the Reserve Bank of Australia cash rate over rolling three-year periods after fees and taxes. |
| <b>Inception date</b>              | 5/12/2017       |                                    |  |
| <b>Total Management cost 1</b>     | 0.65%           |                                    |  |
| <b>Management cost</b>             | 0.65%           |                                    |  |
| <b>Estimated performance fee 2</b> | 0.00%           |                                    |  |
| <b>Performance fee rate 3</b>      | 10%             |                                    |  |
| <b>Buy / Sell spread</b>           | nil / nil%      |                                    |  |
| <b>Product size</b>                | \$27.35 million |                                    |  |
| <b>Exit unit price</b>             | 0.9135          |                                    |  |
| <b>Distribution Frequency</b>      | Half Yearly     | <b>Minimum suggested timeframe</b> | At least 5 years   |
| <b>Morningstar ticker</b>          | 42093           |                                    |  |

## Strategy

Aspect takes a quantitative and systematic approach to investment management. The Fund attempts to capture multiple risk premium factors through exposure to multi-asset derivatives including futures, forwards and swaps. The Fund aims to maximise diversification by spreading risk evenly across the different factors, with no single factor dominating the return profile.

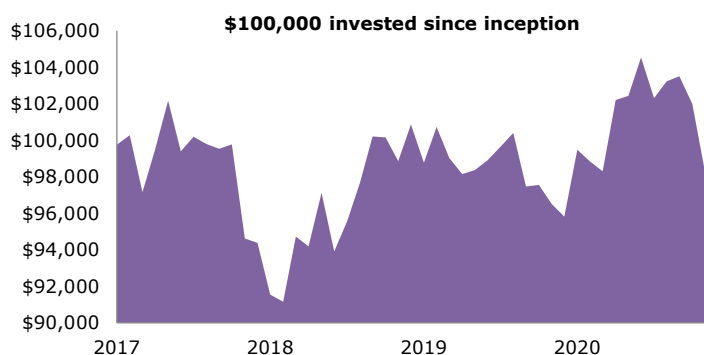
## Performance

|                         | October | 3 months | 6 months | 1 year | 2 years | 3 years | 5 years | Since inception |
|-------------------------|---------|----------|----------|--------|---------|---------|---------|-----------------|
| <b>Total Net Return</b> | -3.67%  | -4.84%   | -4.10%   | 1.78%  | -0.32%  | 1.25%   |         | -0.46%          |

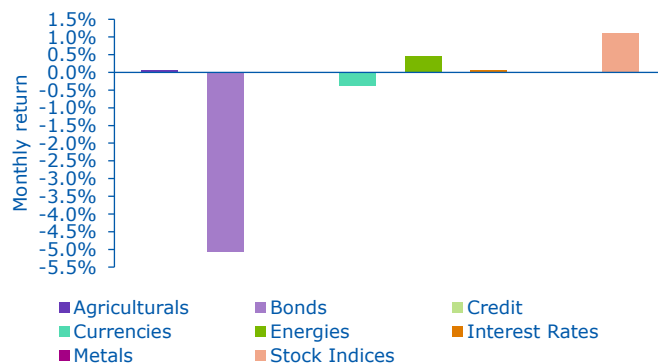
## Risk measures

|                                | 1 year | 2 years | 3 years | 5 years | Since inception |
|--------------------------------|--------|---------|---------|---------|-----------------|
| <b>Fund standard deviation</b> | 7.53%  | 6.49%   | 6.97%   |         | 7.30%           |

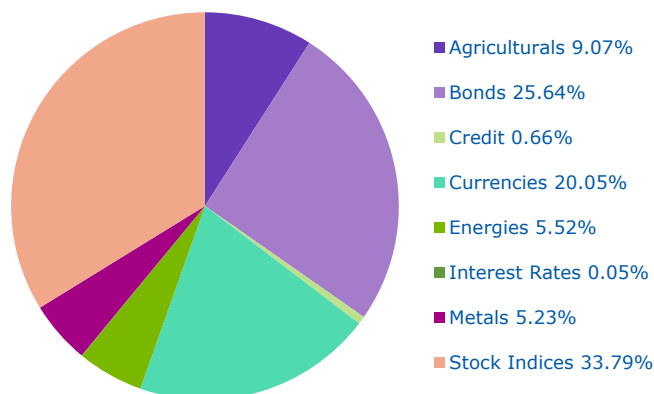
## Performance charts



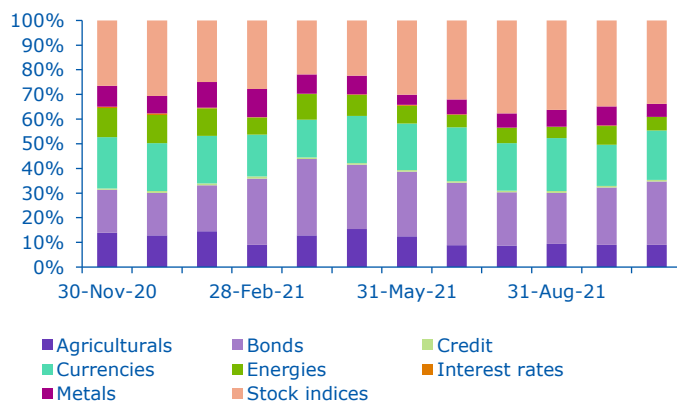
## Performance contribution\*\*\*



## Risk allocation snapshot (as at 31 October 2021)\*\*



## Risk allocation by sector (last 12 months)\*\*



All returns are calculated on an annualised basis using exit price to exit price with distributions reinvested, net of management costs, transaction costs. All return calculations exclude any individual taxes payable by the investor and all other fees and rebates disclosed in the relevant product disclosure statements available on our website or by calling us. The 'distribution' component is the amount paid by the way of distribution, which may include net realised capital gains.

1 Includes estimated performance fee.

2 This estimated performance-related fee is based on the fee payable for the five years to 30 June 20 and is used as an indicator of the future level of this fee.

3 Calculated on the dollar value of performance above the Reserve Bank of Australia cash rate after management fees. Please refer to the PDS for more information about the calculation of performance fees.

\*\* Portfolio risk is broken down by sector at each point in time based on the proportion of total undiversified value-at-risk from each sector; correlation effects are not taken into account.

\*\*\* The sector performance contribution displayed in this graph is intended to be indicative and give an estimate of winning and losing components of the Fund. It does not include management fees, cash and other expenses and as such, will not add up to the aggregate Fund performance. All performance figures contained in this document refer to the Aspect Diversified Futures Fund. This performance is based on information believed to be accurate. It has not been audited by a third party.

| Top markets           |               |          | Bottom markets     |        |          |
|-----------------------|---------------|----------|--------------------|--------|----------|
| Market                | Sector        | Position | Market             | Sector | Position |
| Australian 10Y Bond   | Bonds         | Short    | Australian 3Y Bond | Bonds  | Long     |
| Canadian TSE 60 Index | Stock Indices | Long     | US 5Y Note         | Bonds  | Long     |
| Italian MIB 40 Index  | Stock Indices | Long     | Korean 3Y Bond     | Bonds  | Long     |

| Net monthly performance (%) |        |        |        |       |        |        |        |        |        |        |        |        |        |
|-----------------------------|--------|--------|--------|-------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
|                             | Jan    | Feb    | Mar    | Apr   | May    | Jun    | Jul    | Aug    | Sep    | Oct    | Nov    | Dec    | Year   |
| <b>2017</b>                 |        |        |        |       |        |        |        |        |        |        |        |        | -0.24% |
| <b>2018</b>                 | 0.52%  | -3.12% | 2.41%  | 2.68% | -2.72% | 0.82%  | -0.41% | -0.26% | 0.25%  | -5.16% | -0.25% | -3.00% | -8.23% |
| <b>2019</b>                 | -0.45% | 3.94%  | -0.57% | 3.11% | -3.31% | 1.78%  | 2.17%  | 2.62%  | -0.05% | -1.31% | 2.04%  | -2.08% | 7.89%  |
| <b>2020</b>                 | 1.98%  | -1.69% | -0.89% | 0.23% | 0.55%  | 0.76%  | 0.74%  | -2.92% | 0.10%  | -1.07% | -0.73% | 3.82%  | 0.71%  |
| <b>2021</b>                 | -0.63% | -0.55% | 3.96%  | 0.22% | 2.06%  | -2.13% | 0.90%  | 0.26%  | -1.48% | -3.67% |        |        |        |

### Commentary

The month saw the continuation of global monetary policy normalisation. Sovereign yield curves flattened as investors digested additional inflation and increasing hawkishness. Markets reflected concerns that policy tightening would be earlier than expected against a backdrop of shakier economic growth. Elsewhere, a US government default was narrowly avoided whilst relations between US and China relations deteriorated.

Bond yield volatility heightened as central banks looked to taper bond-buying programmes in response to inflationary pressures. Losses were concentrated in long exposure to short-dated debt whilst short positions in long-dated bonds made gains. Notably, Australian bond yields rose sharply after the Reserve Bank of Australia surprisingly refused to defend its bond-yield target. Meanwhile, long positioning across stock indices was rewarded as a positive start to earnings season helped stocks advance. Currencies were more mixed and often driven by expectations in interest rate differentials. The US Dollar lost ground against currencies with less accommodative monetary policy.

In energies, OPEC+ agreed not to accelerate production allowing for a rise in oil prices to the benefit of long positioning across the oil complex. Long positioning in metals mostly led to gains as the global energy shortage continued to force metal output cuts from China and Europe. In agriculturals, long exposure to lean hogs detracted as the futures were pressured by weak export activity. Weaker coffee and sugar prices were linked to the weakness in the Brazilian Real.

### Want more information?

To find out more about this Fund, please contact your local Business Development Manager, Adviser Services on 13 18 86 (8am to 7pm Sydney time) or visit [cfs.com.au/investments](http://cfs.com.au/investments)

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