

# Aspect Absolute Return Fund - Class A



## Quarterly performance report - 30 September 2022

### 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>	6/12/2017		
<b>Total Management cost ^</b>	0.76%		
<b>Management cost *</b>	0.62%		
<b>Estimated Performance Fee</b>	0.14%		
<b>Performance fee</b>	10.00%		
<b>Buy / Sell spread</b>	nil / nil		
<b>Product size</b>	\$26.12 million		
<b>Exit unit price</b>	0.9904		
<b>Distribution Frequency</b>	Half Yearly	<b>Minimum suggested timeframe</b>	At least 5 years
<b>Morningstar ticker</b>	42093		

### Strategy

The option aims to maximise diversification by spreading risk evenly across three uncorrelated investment themes; Momentum, Carry and Value, with no single theme dominating the return profile. The strategy employs a quantitative process to determine a view of the opportunities across the three investment styles. By maintaining a comparatively small exposure to any individual contract, Aspect achieves sector and contract diversification, thereby exploiting a wide range of opportunities and maximising expected long-term risk-adjusted returns.

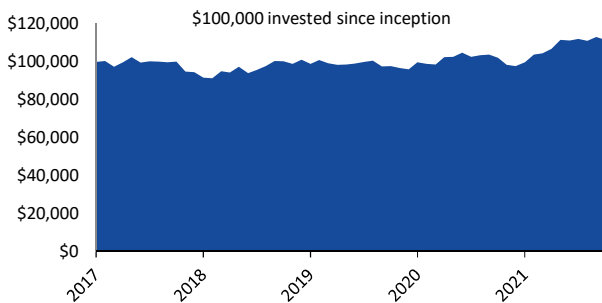
### Performance

	September	3 months	6 months	1 year	2 years	3 years	5 years	Since inception
Total Net Return	-1.20%	-0.38%	4.56%	9.31%	6.89%	3.63%		2.28%

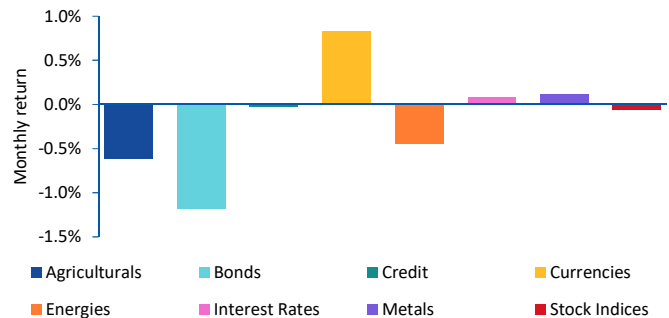
### Risk measures

	1 year	2 years	3 years	5 years	Since inception
Fund standard deviation	10.04%	8.74%	7.86%		8.01%

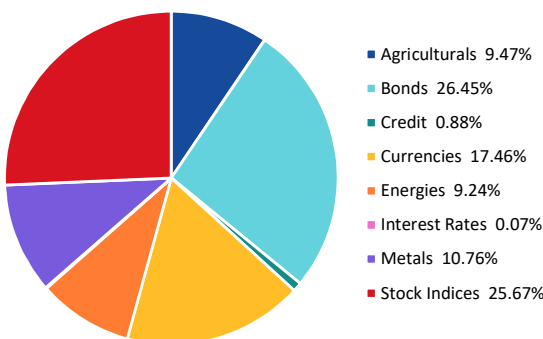
### Performance charts



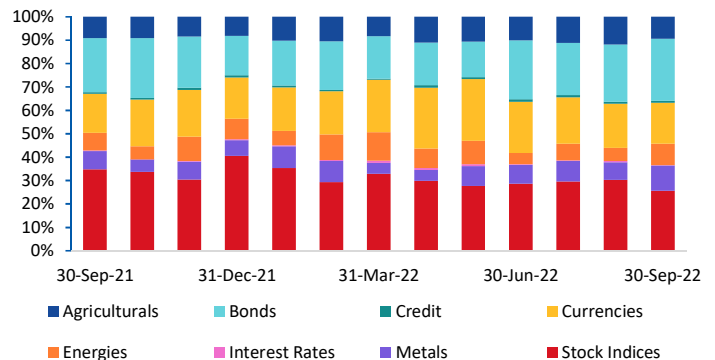
### Performance contribution\*\*\*



### Risk allocation snapshot (as at 30-Sep-2022)\*\*



### 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.

\*\* 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.

^ This estimated performance fee has been calculated on a per annum basis from the fund's inception (December 2017) to 30 September. Please refer to the PDS for the actual performance fee paid in the last 12 months to 30 September. As past performance is no indicator of future performance, the performance fee, if any, charged in the future may differ.

\* Calculated on the dollar value of positive performance (less carried forward negative performance) generated on the futures and forwards trading accounts.

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### Top markets

Market	Sector	Position
US 10Y Note	Bonds	Short
USD / ILS	Currencies	Long
FTSE 100 Index	Stock Indices	Short

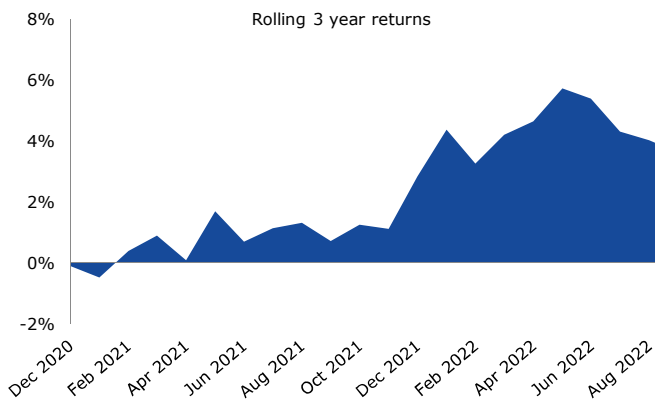
### Bottom markets

Market	Sector	Position
German 10Y Bund	Bonds	Long
UK 10Y Gilt	Bonds	Variable
French 10Y OAT	Bonds	Long

### Net monthly performance (%)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
2017													
2018	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%
2019	-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%
2020	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%
2021	-0.63%	-0.55%	3.96%	0.22%	2.06%	-2.13%	0.90%	0.26%	-1.48%	-3.67%	-0.65%	2.05%	0.12%
2022	4.07%	0.65%	2.19%	4.44%	-0.30%	0.80%	-0.95%	1.79%	-1.20%				

### Rolling returns



### Commentary

The US Fed issued its third consecutive 0.75% hike, kicking-off a week of dramatic announcements from central banks and making September experience one of the most sudden shifts in global economic policy in decades. The synchronised and sharp interest rate increases marked the end of an era of negative rates in Europe, leaving Japan as the only country to have negative rates. In a bid to tame inflation, Japan intervened to strengthen the yen for the first time since the late 1990s. By the end of the month, the UK's newly appointed government had unveiled a fiscal plan that plunged UK gilt prices into chaos and threatened financial stability, forcing the Bank of England to lend support via temporary quantitative easing.

The Fund continued to generate strong performance from short fixed income positions, particularly in US Treasuries, as yields rose in line with the Fed's hawkish rhetoric and rate hike. The short UK 10Y Gilt position was one of the Fund's top performing assets as the UK government's tax cuts triggered a record stampede out of UK government bonds and the largest UK 10Y Gilt yield rise in 40 years. In stock indices, short positions made gains as the sector continued to be plagued by recessionary fears. Most notable in currencies was the strength of the US dollar. The Fund's net long exposure to the currency profited as the US dollar index rose to yet another twenty-year high on macroeconomic uncertainty and relative monetary policy aggression from the Fed.

Losses came from the Fund's positioning in commodity markets, particularly the long energies exposure. Dollar-denominated commodities came under price pressure from the soaring US dollar and more broadly the sector endured growing fears demand could soften if central banks continue to hike rates to the point of economic recession.

### 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 [www.cfs.com.au/investments](http://www.cfs.com.au/investments)

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