Colonial First State

Adviser use only

aspect capital

Aspect Absolute Return Fund - Class A

Monthly performance report - 31 August 2021

Key data

APIR code	FSF3532AU	**Investment objective**	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.
Inception date	5/12/2017		
Total Management cost[1]	0.65%		
Management cost	0.65%		
Estimated performance fee[2]	0.00%		
Performance fee rate[3]	10%		
Buy / Sell spread	nil / nil%		
Product size	$26.93 million		
Exit unit price	0.9625		
Distribution Frequency	Half Yearly		
Morningstar ticker	42093	**Minimum suggested timeframe**	At least 5 years

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.

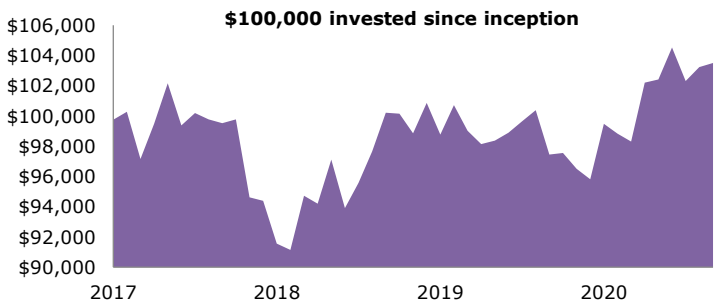
Performance

	August	3 months	6 months	1 year	2 years	3 years	5 years	Since inception
Total Net Return	0.26%	-0.99%	5.28%	6.19%	1.62%	1.31%		0.92%

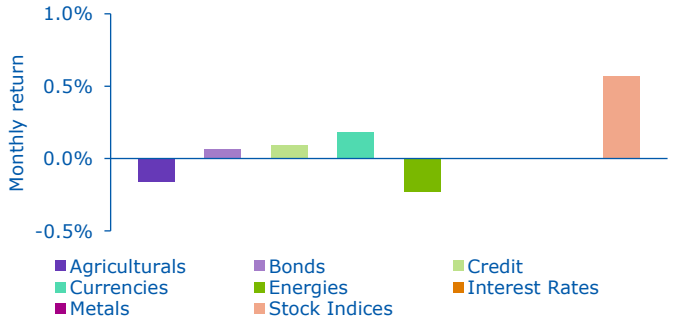
Risk measures

	1 year	2 years	3 years	5 years	Since inception
Fund standard deviation	6.27%	5.91%	7.23%		7.17%

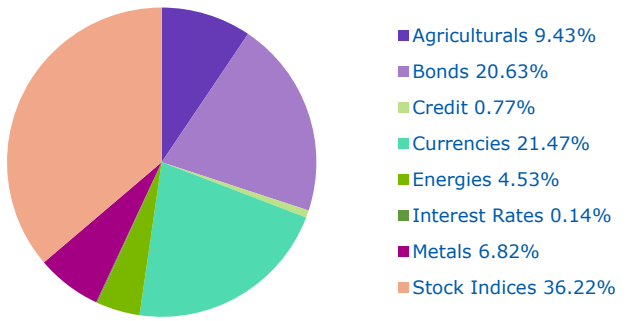
Performance charts



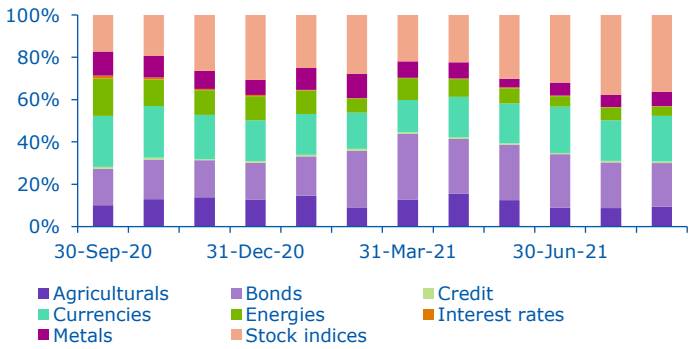
Performance contribution***



Risk allocation snapshot (as at 31 August 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 performnace-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 PDSfor 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.

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Top markets

Market	Sector	Position
Australian SPI 200 Index	Stock Indices	Long
VIX Index	Stock Indices	Short
Amsterdam Exchanges Inde	Stock Indices	Long

Bottom markets

Market	Sector	Position
NASDAQ 100 Index	Stock Indices	Short
Indian Nifty Index	Stock Indices	Short
Reformulated Gasoline	Energies	Long

Net monthly performance (%)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
2017													-0.24%
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%					

Commentary

Robust economic data and earning releases helped European and US stocks reach record highs despite the spread of the Delta variant. Asian stock indices suffered however, weighed down by Chinese regulatory clampdown and associated growth deceleration concerns. The Federal Reserve sent their strongest signal yet that their accommodative policies would start to unwind by the end of this year. As other central banks followed suit, investors fled into the safe-haven US dollar and away from government bonds as tighter monetary policy became more likely.

As economies continued to gradually reopen there were signs of an improving recovery, sending most stock indices higher and rewarding the Fund's net long exposure. The US dollar strengthened early on due to increasing talk of tapering, political tensions, and disappointing economic data from China, before weakening again towards the end of the month. The Fund's variable net US dollar exposure however, incurred small losses in the currencies sector.

The Fund's energy sector was most profitable with notable gains coming from longs in US natural gas which rallied as inventory levels came in far below expectations. Additionally, alternative European energy markets rallied to the benefit of the Fund's longs. In agriculturals, most gains came from long positions in soft commodities such as sugar and coffee, where prices rallied due to adverse weather conditions and lowering of production prospects in key growth regions. Metal prices fell as the US dollar strengthened, causing losses from the Fund's net long exposure.

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

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