Colonial First State

Adviser use only

aspect capital

Aspect Absolute Return Fund - Class A

Quarterly performance report - 30 September 2021

Key data

APIR code	FSF3532AU
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	$27.67 million
Exit unit price	0.9483
Distribution Frequency	Half Yearly
Morningstar ticker	42093

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.

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.

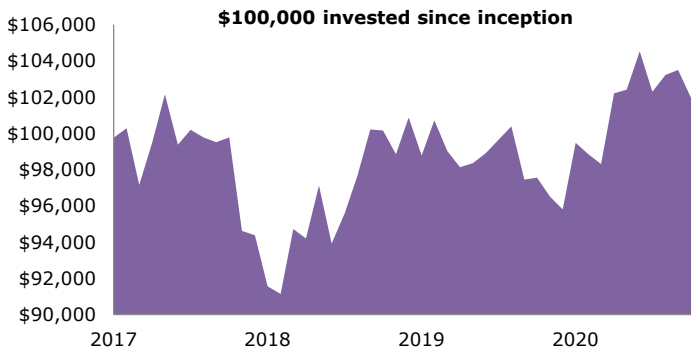
Performance

	September	3 months	6 months	1 year	2 years	3 years	5 years	Since inception
Total Net Return	-1.48%	-0.33%	-0.23%	4.52%	0.90%	0.73%		0.51%

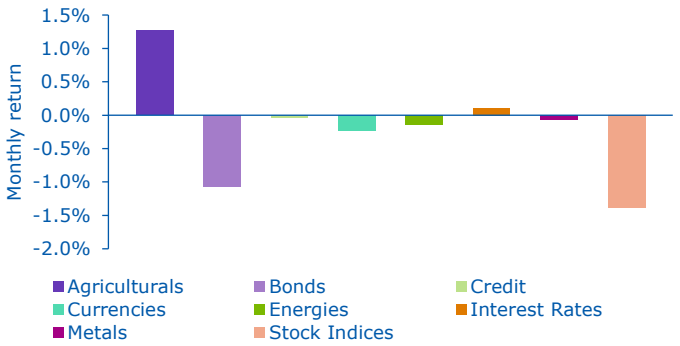
Risk measures

	1 year	2 years	3 years	5 years	Since inception
Fund standard deviation	6.55%	6.01%	7.29%		7.13%

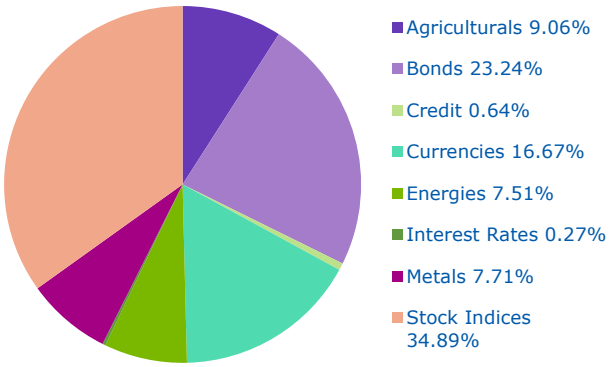
Performance charts



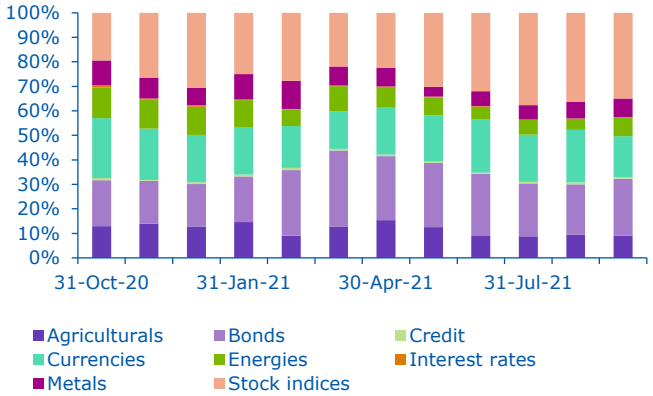
Performance contribution***



Risk allocation snapshot (as at 30 September 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

Aspect Absolute Return Fund - Class A

Quarterly performance report - 30 September 2021

Top markets

Market	Sector	Position
Cotton	Agriculturals	Long
NASDAQ 100 Index	Stock Indices	Short
Australian 10Y Bond	Bonds	Short

Bottom markets

Market	Sector	Position
US 5Y Note	Bonds	Long
UK 10Y Gilt	Bonds	Long
Korean 10Y Bond	Bonds	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%	-1.48%				

Commentary

Energy markets dominated headlines: Hurricane Ida forced oil production shutdowns off the Gulf of Mexico in the opening weeks of the month, with oil prices further supported by the oil cartel, OPEC+'s, decision to increase output. Energies continued to be propelled upwards in the second half of September by low European gas inventories and fears of potential supply shortages during the coming winter months. Elsewhere, stocks fell as central banks, including the Federal Reserve, pointed towards less accommodative policy stances. The potential end to ultra-supportive monetary policy also helped strengthen the US Dollar and caused Treasury yields to rise.

The Fund's net long energies exposure was the main beneficiary from the month's market moves. Gains came from almost every market in the sector, with strong performance coming from natural gas and European energy contracts. Other commodity markets played a supporting role, with small gains from both the agricultural and metal sectors.

In financials, stock indices led to a slight detraction as the Fund’s overall net long exposure suffered from signs of slowing global economic growth and fears the world’s largest indebted property developer could default and set off global financial contagion. Bonds and currencies provided muted performance. Signals of potential interest rate hikes before year end caused the US Dollar to appreciate against major peers leading to a small gain for the Fund’s overall 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

Colonial First State Investments Limited ABN 98 002 348 352, AFSL 232468 (CFSIL) is the issuer of FirstChoice Personal Super, FirstChoice Wholesale Personal Super, FirstChoice Pension, FirstChoice Wholesale Pension, FirstChoice Employer Super offered from the Colonial First State FirstChoice Superannuation Trust ABN 26 458 298 557. It also issues interests in products made available under FirstChoice Investments and FirstChoice Wholesale Investments. This document has been prepared by CFSIL based on its understanding of current regulatory requirements and laws as at the date of the report. While all care has been taken in the preparation of this document (using sources believed to be reliable and accurate), to the maximum extent permitted by law, no person including CFSIL or any member of the Commonwealth Bank group of companies, accepts responsibility for any loss suffered by any person arising from reliance on this information. This document provides information for the adviser only and is not to be handed on to any investor. It does not take into account any person’s individual objectives, financial situation or needs. You should read the relevant Product Disclosure Statement (PDS) and Financial Services Guide (FSG) before making any recommendations to a client. Clients should read the PDS and FSG before making an investment decision and consider talking to a financial adviser. The PDS and FSG can be obtained from www.cfs.com.au or by calling us on 13 18 36. Stocks mentioned are for illustrative purposes only and are not recommendations to you to buy sell or hold these stocks. We may change asset allocation, manager allocation and securities within the option at any time. Past performance is not an indicator of future performance for this option. CFSIL is a wholly owned subsidiary of the Commonwealth Bank of Australia ABN 48 123 123 124, AFS Licence 234945 (CBA). CBA and its subsidiaries do not guarantee the performance of FirstChoice products or the repayment of capital for your investment. Investments in these products are not deposits or other liabilities of CBA or its subsidiaries and investment type products are subject to investment risk including loss of income and capital invested.