Colonial First State

Adviser use only

aspect capital

Aspect Absolute Return Fund - Class A

Monthly performance report - 30 November 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	$27.29 million
Exit unit price	0.9076
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.

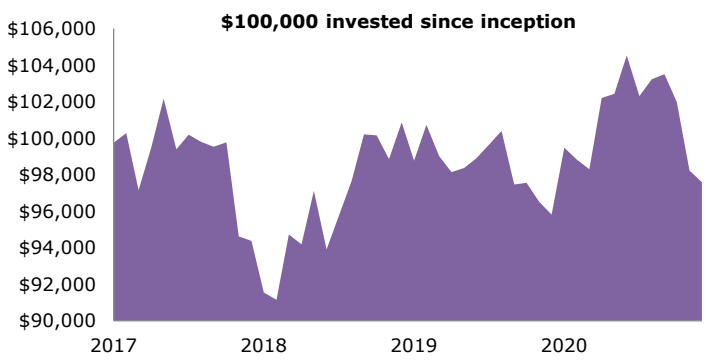
Performance

	November	3 months	6 months	1 year	2 years	3 years	5 years	Since inception
Total Net Return	-0.65%	-5.70%	-6.64%	1.86%	-1.64%	1.12%		-0.61%

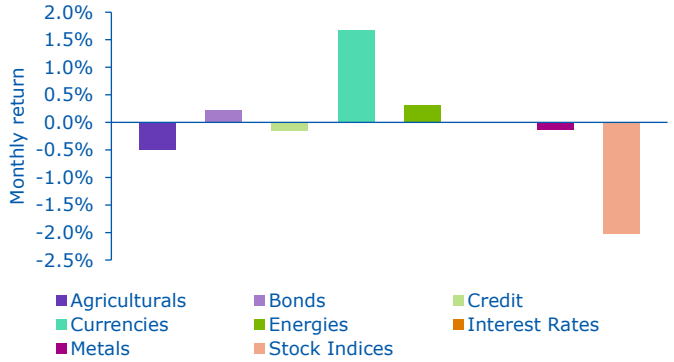
Risk measures

	1 year	2 years	3 years	5 years	Since inception
Fund standard deviation	7.52%	6.33%	6.98%		7.23%

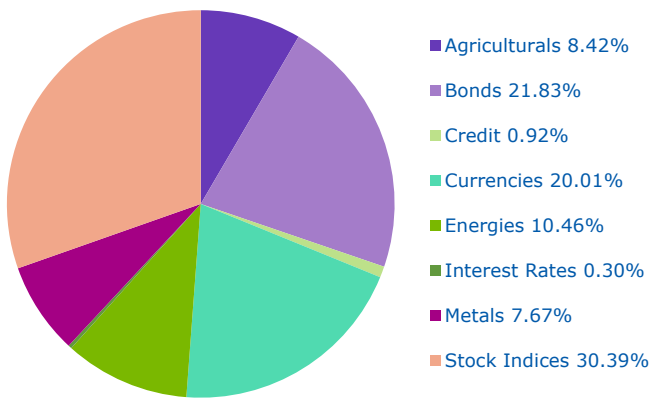
Performance charts



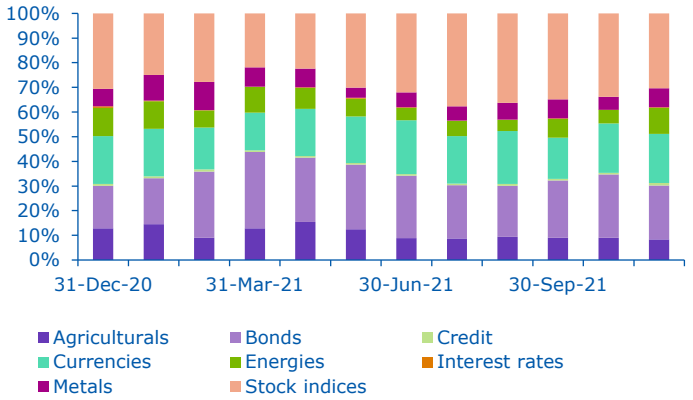
Performance contribution***



Risk allocation snapshot (as at 30 November 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
EUR / SEK	Currencies	Long
Heating Oil	Energies	Short
Australian 3Y Bond	Bonds	Long

Bottom markets

Market	Sector	Position
Australian 10Y Bond	Bonds	Short
German 30Y Buxl	Bonds	Short
Hang Seng Index	Stock Indices	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%	-3.67%	-0.65%		

Commentary

Before the discovery of a highly mutated coronavirus variant, the market narrative centred on inflation, interest-rate hikes, and the end of central bank stimulus. However, the severity of the situation implied by the rapid imposition of travel bans put the pandemic firmly back in focus and triggered a sharp re-pricing of risk assets as well as a rally in safe havens.

The US Dollar strengthened to a 16-month high mostly due to differing policy outlooks between the Federal Reserve and the European Central Bank, creating profits for the Fund's long US Dollar exposure. In stock indices the Fund's net long exposure detracted from performance as market sentiment rapidly changed. Government bond yields flattened, with profits from long positions in shorter term maturities just offsetting losses from short positions in medium and longer-term maturities.

In commodities, profits from short positions particularly in heating and gas oil offset losses from long positions, as energy markets in general suffered from reduced demand expectations. The agricultural sector made a slight loss, notably from a long position in cotton where prices fell after demand from China eased.

Performance by theme: sentiment and seasonality were positive whilst momentum was negative.

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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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