

# InRIS CFM Diversified Class R Euro | Systematic | Global

• **Share Class Inception:**  
2-Apr-15

• **Fund ISIN:**  
IE00BVVHQZ31

• **Fund Bloomberg Code:**  
RCFMREI ID

• **Fund / Share Currency:**  
EUR / EUR

• **Fund Domicile:**  
Ireland UCITS

• **Fund AUM:**  
€156,062,245

• **Distributor & Consultant:**  
Rothschild & Co Asset Management Europe

• **Promoter & Investment Manager:**  
Innocap Global Investment Management (Ireland) Ltd.

• **Platform Advisor:**  
Innocap Investment Management Inc.

• **Trading Advisor:**  
CAPITAL FUND MANAGEMENT SA

• **Administrator:**  
STATE STREET FUND SERVICES IRELAND LIMITED

• **Custodian:**  
State Street Custodial Services (Ireland) Limited

• **Transfer Agent:**  
CACEIS Ireland Limited

• **Auditor:**  
DELOITTE & TOUCHE

• **Financial Management fees:**  
0.28%

• **Performance fees / High Water Mark:**  
0.00% / No

• **Liquidity / Deal Date:**  
Daily / Daily

• **Subscription / Redemption Notice Days:**  
2 BD / 2 BD

• **Minimum Subscription:**  
1 share

• **Contacts:**  
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• **Share Class AUM:** €1,909,448

• **Share Class Nav Price:** €81.66

• **Share Class MTD:** 0.54%

• **Share Class YTD:** -19.35%

## Fund Information

The objective of the InRIS CFM Diversified Fund (the "Fund") is to achieve long-term capital appreciation through trading strategies that seek to have a return profile different from that of traditional asset classes, such as stocks and bonds. The Trading Advisor is free to choose how the assets of the Fund are invested within the limits of its investment policy and will utilize (typically with equal allocation) a series of four systematic trading models (the Long-Term Trend Following, Universal Value, Risk Premia and Market Neutral Equity models), which are part of its CFM Institutional Systematic Diversified Program (the "Program"). The Fund will significantly invest in financial derivative instruments ("FDIs") for investment, efficient portfolio management and hedging purposes at any one time. The Trading Advisor will primarily trade to gain exposure to a diversified portfolio of global fixed income securities (including government bonds and notes), global interest rates, global currencies, global equities, global stock indices and global credit. For hedging purposes, the Fund may use FDIs to hedge against fluctuations in the relative values of its portfolio positions due to changes in currency exchange rates and market interest rates and to hedge against the currency exposure between the denominated currency of the Class and the Base Currency of the Fund.

## Monthly Returns (%) \*\*

	Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2020	-19.35%	1.09%	-9.06%	-8.22%	-2.37%	-1.00%	-0.79%	-0.06%	-0.78%	0.54%	---	---	---
2019	-1.71%	-0.63%	-0.13%	0.67%	-0.29%	1.32%	1.77%	3.01%	-2.23%	0.40%	-2.73%	-0.50%	-2.22%
2018	-8.99%	0.25%	-4.34%	-0.25%	-0.40%	-2.48%	-2.49%	-0.39%	-2.36%	0.30%	1.15%	-2.03%	3.92%
2017	8.70%	-0.57%	3.15%	-0.31%	0.26%	-0.10%	-2.28%	3.42%	2.56%	-1.69%	3.20%	-0.46%	1.39%
2016	0.33%	2.91%	-0.66%	-0.19%	-3.48%	1.06%	-0.76%	0.98%	0.56%	0.62%	-0.63%	-0.51%	0.56%
2015 *	3.80%	---	---	---	-2.25%	1.82%	-2.28%	5.73%	-2.11%	3.58%	-0.46%	1.20%	-1.17%

\* The annual performance of 2015 is based on the start date of 02 April 2015.

\*\* The monthly performance is based on the last dealing NAV of the month as calculated by the Administrator.

Source: STATE STREET FUND SERVICES IRELAND LIMITED

## Latest Months Cumulative Returns

	3m	6m	9m	12m	24m	36m	ITD
	-0.30%	-4.41%	-19.35%	-23.67%	-18.37%	-24.86%	-18.34%

## Performance Analysis

Average Monthly Return	(0.26%)
Median Monthly Return	(0.30%)
Annualized Return	(3.62%)
Annualized Mean	(3.10%)
Best Month	5.73%
Worst Month	(9.06%)
% of Positive Months	40.91%
% of Negative Months	59.09%
Mean Positive Months	1.76%
Mean Negative Months	(1.66%)

Source: Innocap Global Investment Management (Ireland) Ltd.

## Risk Analysis

Annualized Std.Deviation	8.40%
Max Drawdown	28.42%
Time to recovery (M)	---
Excess Kurtosis	3.19
Skewness	(0.83)

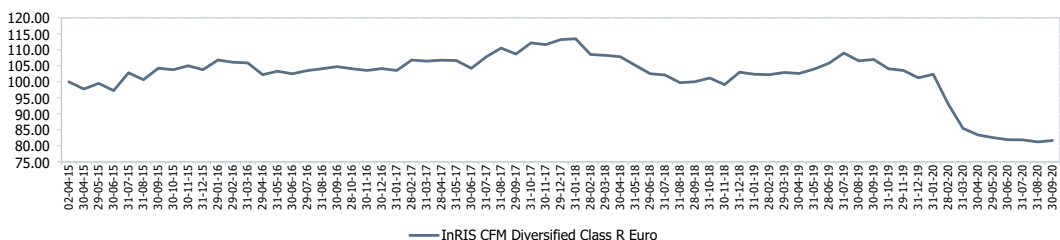
Source: Innocap Global Investment Management (Ireland) Ltd.

## Risk / Return Analysis

Sharpe Ratio	(0.33)
Sortino Ratio	(0.33)
Annualized Alpha	(2.75%)

Source: Innocap Global; Benchmark:EURIBOR 1 Week

## NAV Evolution



Past performance is not indicative of future returns. The value of investments can go down as well as up. Please refer to the disclaimer at the end of the document.

## Portfolio Comments

The performance of the InRIS CFM Diversified Class R Euro was 0.54% in September. The Fund is at -19.35% YTD.

### **TRENDS: +0.05%**

The Long Term Trend Following program ended flat. Performance amongst asset classes was mostly negative or flat, with the exception of Interest Rates and FX, which delivered positive returns. At month-end, the program maintains its net long Bond, Short Term Interest Rate, and US dollar position. Long exposure in Equity and Credit Indices is also maintained.

#### Equity & Credit Indices

Global equity markets sold-off this month, with no major bourses spared. The strategy's net long exposure to Equity Indices consequently realised negative returns. The S&P 500 total return index posted a -3.8% decline, dragged down mostly by Technology and related sectors. Reflective of the tech-stock decline, the Nasdaq Total Return Index slipped -5.7%, with the majority of losses registered in the first week-and-a-half, the sell-off triggered seemingly by investors' having become too worried about stretched valuations and gloomier economic outlook. The strategy's long position in the mini-Nasdaq was consequently the worst performer this month. A short position in the IBEX Index was, however, the best performer. The Spanish benchmark underperformed its regional peers and lost 3.6% (in euro terms), trailing the European Stoxx 600 by nearly 2%. A net long exposure in Credit Indices ended slightly worse than flat, tracking lower along with the equity pull-back.

#### Interest rates

Aggregate net long exposure in Bonds contributed positively. Global benchmark yields of most G7 economies slipped as investors shifted to quality fixed income assets amidst the equity market rout. Yields on the US curve, however, moved mostly sideways, but with a slight steepening. Long positions in the Australian 3-year delivered the most positive return, the yield of which fell 10 basis points as bonds rallied amid growing expectations of further monetary policy by the Reserve Bank of Australia. Long exposure to the Italian 10-year bond also realised good returns, the yield of which fell 31 basis points - its largest monthly decline since January 2020 and approaching its record low. Yields fell on lower inflation expectations, and a diminished risk of early elections. However, a short position in the German Bund was the worst performer. Investors seeking out safe havens, expecting lower inflation, and European policymakers appearing increasingly divided about its crisis response, pushed German 10-year yields fell as low as -0.545%. At month-end, the Bund shed 13 basis points and reached a nearly two-month low. Net long positioning in Short Term Interest Rates (STIRS) registered marginal gains, as most global short rates moved either sideways or slightly lower. Long exposure in the 3-month Short Sterling fared best - the contract, based on the 3-month Libor rate, gained as the reference Libor rate declined ~3%, with traders keep pricing in lower future rates.

#### FX

FX was slightly better than flat, with net long dollar exposure in the strategy benefitting from the greenback having gained nearly 2% during the month - breaking a five-month string of consecutive negative performance. A short position in the Singapore performed best. The US dollar gained slightly more than 0.3% against the SGD this month. A long Swiss franc, however, realised the most negative returns. The franc declined against most peers following stronger than expected dovish rhetoric from the Swiss National Bank (SNB) during its latest decision stating its readiness to intervene in the market to devalue the franc. The franc ended the month 1.9% lower against the greenback.

### **SHORT TERM TREND FOLLOWING: +0.02%**

The Short Term Trend sleeve delivered slightly better than flat returns. Bonds were responsible for the majority of the gains, as long exposure in this asset class boosted returns as sovereign bonds enjoyed strong bids. Long exposure in the US 10-year fared best.

### **EQUITY MARKET NEUTRAL: +0.82%**

The recent surge in rallying technology stocks, partly responsible for supporting US equity markets, stuttered. Along with a sinking outlook for the US and global economy, global equity markets sank, with defensive sectors outperforming. In the US, the Utility sector fared best, with the Energy sector trailing. The Equity Market Neutral portfolio registered positive returns with all three main clusters ending either flat or better. Across the entire book, the Technology sector fared best - supported by outperformance from long exposures in a handful of idiosyncratic rallies. Meanwhile the Energy sector fared worst.

### **RISK PREMIA: +0.32%**

#### Universal Carry

The Universal Carry strategy delivered positive returns, with the majority of asset classes delivering mostly flat or better performance. At month-end, the strategy retains its net long Bonds and Short Term Interest Rates position. The strategy also maintains its net long Credit and Equity Indices exposure. Meanwhile, the dollar position has moved from a net long, to net short position. The strategy's net long Bond exposure fared best, notably long exposure on the Korean curve, especially on the Korean 3-year, as Korean bonds yields fell in unison with most major developed economies. A short position in the Buxl, however, dragged on performance - the German 5-year having fallen 8 basis points by month-end. However, long exposure to Equity Indices dragged on overall performance in this strategy, as global stocks fell. Long exposure to the Hang Seng was the worst performing position, the index crashing 6.8% in USD terms, with some key constituents, especially HSBC Holdings (slumping to its lowest level in more than a decade), dragging on the overall index.

#### Short Volatility

The Short Volatility strategy delivered positive returns. Delta hedged options in all asset classes made modest gains. Implied volatility in equity markets moved largely sideways, bar a brief spike during the first week tech slump. Implied volatility has remained elevated, especially for those periods just before and after the US elections, as the VIX volatility curve has moved into a distinct concave-shape. While delta hedged options on most equity indices performed modestly, it was on the Eurostoxx that they performed best. A similar pattern was observed in FX. Delta hedged options in FX delivered slightly better than flat returns, with 1-month at-the-money implied volatility on most currency pairs moving sideways. The exception being a slight pick-up mid-month when investors sought out Japanese yen as a safe-haven trade, with implied volatility on the yen-dollar pair that ticked-up slightly.

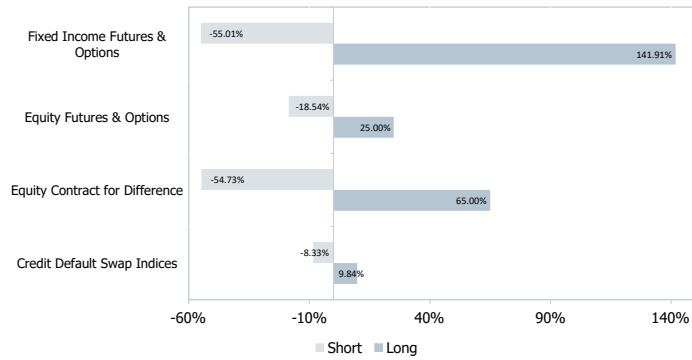
### **UNIVERSAL VALUE: -0.53%**

The Universal Value strategy ended in negative territory. Going into the new month, the strategy maintains its net short Bonds, Credit Indices, as well as net short dollar position. A long position in Short Term Interest Rates is maintained, while the Equity Indices position is slightly short. Net short Equity Indices exposure delivered positive returns in September as global stocks sank. A short position in the mini-Nasdaq was the best performer, as the tech index fell from recent highs. The biggest losses were, however, booked in the Interest Rates asset class. A net short exposure in Bonds dragged most as global yields rose, with a short position in the Buxl the worst.

Holdings and Exposures are based on the Fund currency as of 30 September 2020.

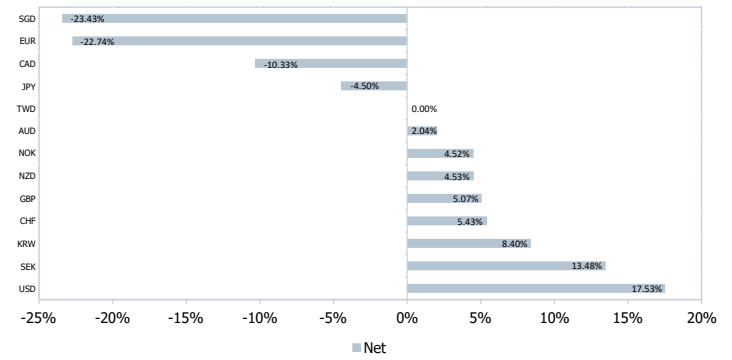


**Exposure by Asset Class (as % of the Fund's AUM)**



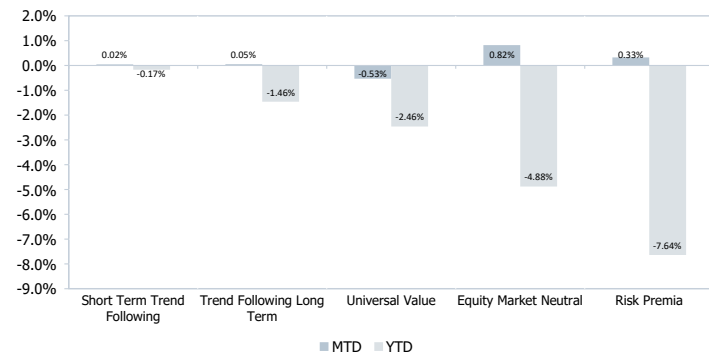
Source: Innocap Global Investment Management (Ireland) Ltd.

**Exposure by Currency (as % of fund's AUM)**



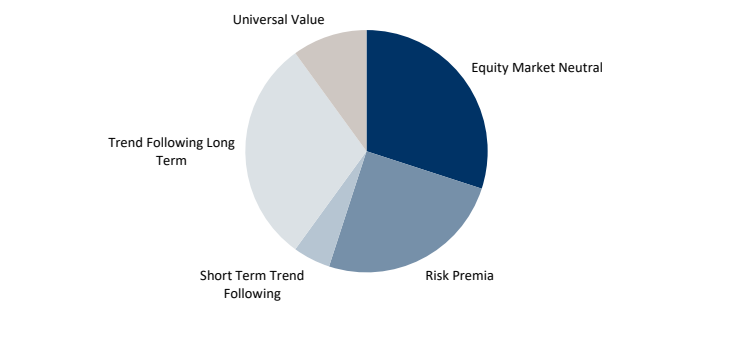
Source: Innocap Global Investment Management (Ireland) Ltd.

**Contribution to Returns by Asset Class (gross)**



Source: Capital Fund Management S.A.

**Risk Allocation by Asset Class (average daily VaR - %)\***



Source: Capital Fund Management S.A.

Cash exposures are excluded from the above figures.

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