

## Qbasis All Trends strategy concept

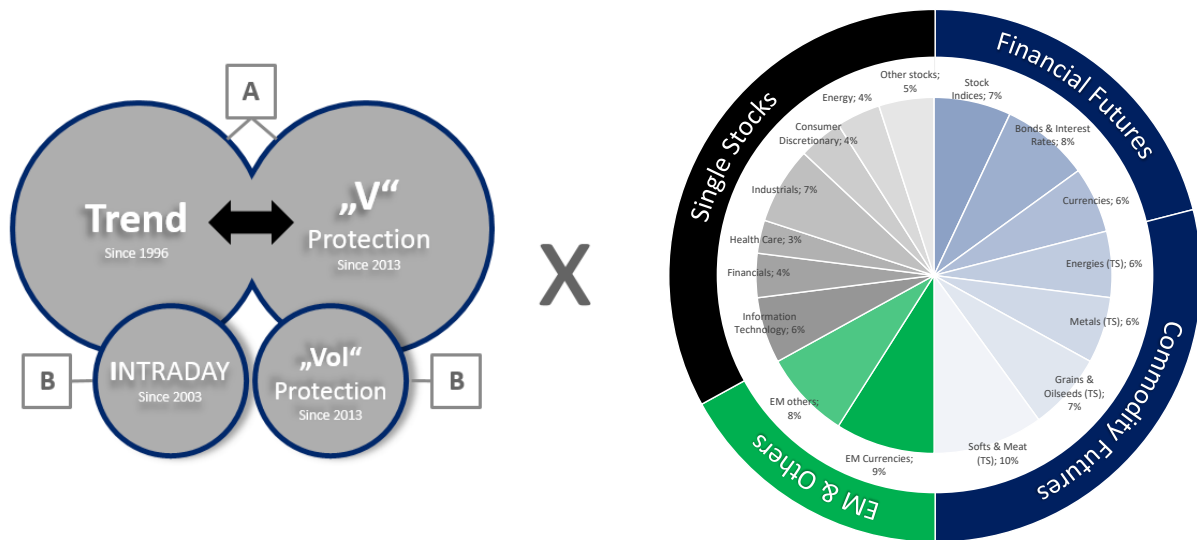
October 2017

**A** A breakout trend following strategy is employed ("Trend"), which has the ability to **recognize trends at a very early stage**. "V"-Protection was introduced as an overlay in 2013 to mitigate the negative effects of trend breaks on the overall performance.

↔ In 2016, "V"-Protection was combined with the classic trend following part via **SmartSwitch**, which allows the strategy to autonomously change weightings based on volatility levels, making the overall strategy more adaptive and thus more profitable in the process. In periods of declining volatility and inexplicit trends, the allocation switches towards "V"-Protection, enabling the positive returns of this component to dominate the overall performance of the fund.

**B** The Intraday strategy helps to maximize returns in times of **increasing market volatility**. The "Vol"-Protection overlay performs well in periods of declining volatility, which are a non-optimal environment for most of our other strategy parts.

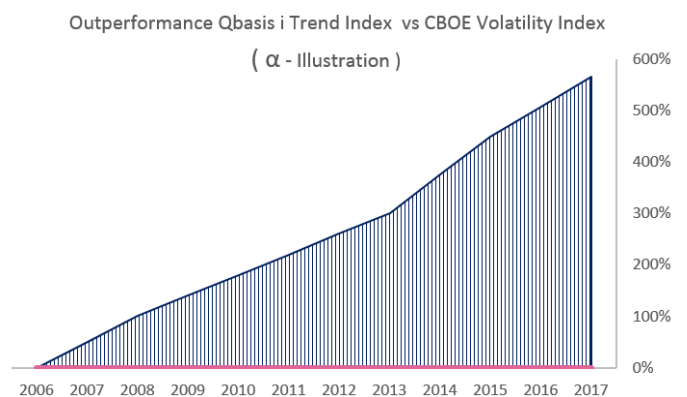
With the addition of single stocks and exotic currencies to the portfolio, it is now possible to **capture market trends in even more liquid asset classes** and benefit from the higher volatility in these markets. This provides further diversification and therefore stabilizes the performance of the Qbasis All Trends UCITS Fund. (diversification over **300 instruments**)



## Qbasis as the best safety net for your portfolio - the smart Long-VIX investment



Source: Bloomberg



Managed Futures as an asset class show a positive correlation to volatility while usually providing uncorrelated returns. This makes this asset class a prime target when looking for any kind of portfolio stabilization. Qbasis has shown for more than 10 years that it is not only the CTA with the clearest negative correlation to other asset classes and therefore serves as an optimal building block for every portfolio, but also that it offers the finest hedge against rising market volatility.

Qbasis' strategies are able to capture and even outperform returns originating from the CBOE Volatility Index ("VIX") while strongly reducing losses when volatility is shrinking (chart on the top left side). When comparing the Qbasis i Trend Index to the VIX, the constant outperformance accumulates to an astonishing 550% after 11 years of trading (chart on the top right side).

The current 10-year low in the VIX shows a promising future for strategies with the ability to efficiently capturing increases in volatility.

There is no guarantee of investment performance and past or projected performance is no indication of current or future performance/results. A loss of the entire amount invested cannot be precluded. Qbasis i Trend Index (ISIN: AT0000A11459; Bloomberg: QBIX) is a simulated, non-investable index listed on the Vienna Stock Exchange which tracks the gross performance of the Qbasis i Trend strategy. However since April 2007 various investment products are based on the Qbasis i Trend Index. Source of indices: Bloomberg

The **Qbasis All Trends UCITS Fund** implements the Qbasis All Trends strategy concept in a UCITS regulated fund. Due to high diversification and no correlation to all major asset classes, the Qbasis All Trends UCITS Fund acts as the optimal building block for every portfolio, including other UCITS funds, because of its UCITS eligibility.

**Key strengths:**

- 2 volatility-adaptive systematic diversified breakout trend following strategies (Trend/V-Protection) with 2 additional overlays applied on futures, single stocks, EM Currencies and other liquid underlyings
- Multi-level reaction rather than prediction
- Low correlation to traditional asset classes
- Aims to protect client's portfolios in periods of stress in financial markets
- Dynamic risk allocation based on volatility and correlation

**Monthly returns**

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2016	-5.39%	1.96%	3.88%	-0.93%	-9.89%	-4.21%	4.13%	-7.27%	0.30%	-2.20%	0.72%	2.59%	-16.12%
2017	-1.17%	-4.75%	-1.45%	2.25%	-1.49%	2.46%	-2.83%	-0.68%	-3.08%	-4.45%			-14.43%

(All shareclass)

**Shareclasses**

Class	CCY	NAV	ISIN	Minimum Investment	Institutional or Private
AI	EUR	7.18	IE00BYMFZ726	EUR 100,000.-	I
BI	GBP	7.28	IE00BZ9MQJ26	GBP 100,000.-	I
CI	CHF	7.13	IE00BYMFZB61	CHF 100,000.-	I
DI	USD	7.42	IE00BYMFZC78	USD 100,000.-	I
EI	JPY	716.91	IE00BYMFZF00	JPY 10,000,000.-	I
AP	EUR	7.07	IE00BYMFZ940	EUR 10.-	P
BP	GBP	7.31	IE00BDCNTG61	GBP 10.-	P
DP	USD	7.30	IE00BYMFZD85	USD 10.-	P

**Service providers & Fees**

Investment Manager	Qbasis Invest GmbH	Strategy	Systematic trend following
Administrator	Apex Fund Services (Ireland) Ltd.	Liquidity	daily
Custodian/Trustee	Société Générale	Reporting	monthly/daily
Domicile	Ireland	Lock-Up/Gate	None
Auditor	Deloitte	Management fee p.a. Institutional	1.88 %
External Risk Calculation Agent	State Street	Management fee p.a. Private	2.83 %
Regulation	UCITS IV	Performance fee (high watermark)	20 %
		Subscription Fee (Private)	up to 5 %

Qbasis All Trends UCITS Fund lost -4.45% in October.

What helped reduce losses last month had a negative impact this month. With major stock indices rallying once again with the NIKKEI leading with +8.13%, larger CTAs with bigger exposure to the most liquid financial markets such as stock indices and interest rates profited heavily from these developments. Qbasis' target has always been trying to achieve as much diversification as possible. That is why as many markets as possible are traded at the same time, strictly underweighting markets with high intermarket correlation such as the big financial futures markets.

Because of volatility declining even further in October, results from intraday trading were slightly negative but "Vol"-Protection was able to even overcompensate these losses, leading to small gains from this overall strategy block (Intraday & "Vol"-Protection). We are pleased to observe how well those 2 parts have been complementing each other since inception in October 2013.

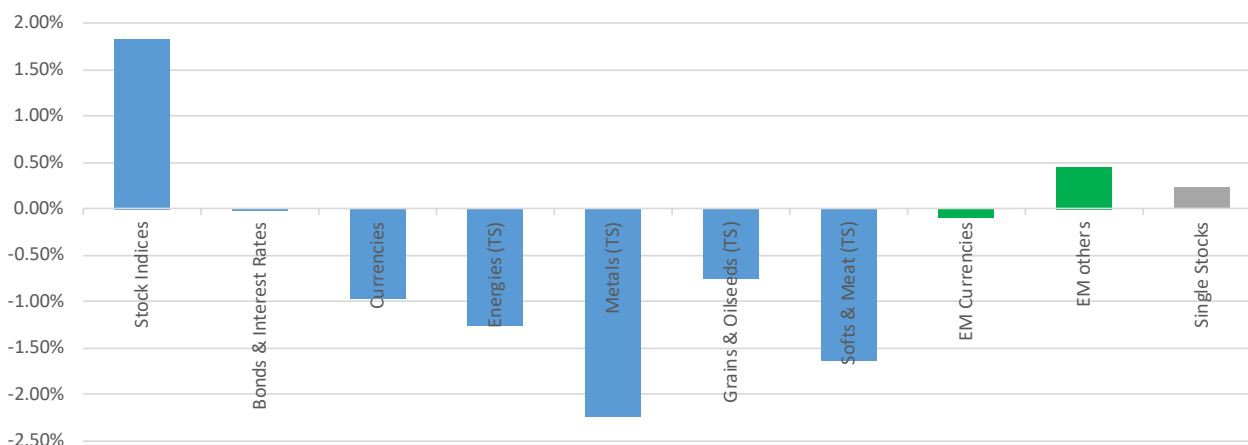
The rest of the portfolio however was fully affected by the heavy impact of continuously dropping volatility, resulting in this month's negative output. Going forward, situations like these can be better coped with. Qbasis' research team was able to achieve a breakthrough for said conditions by finding a way to let the strategy autonomously modulate itself based on the occurring volatility characteristics. The test results show a distinct improvement in robustness regarding times of unfavorable market conditions for our strategies, while keeping the same characteristics in other, more favorable periods.



The vertical lines in the charts above mark the beginning of the reported month. Blue and red arrows mark long and short signals

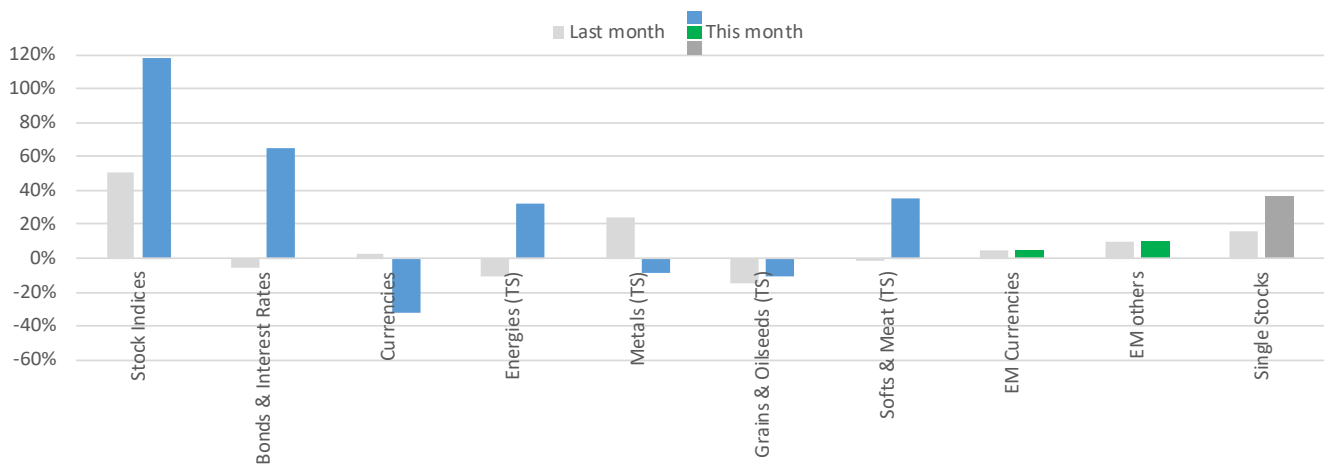
**Top 10 / Bottom 10**

Top 10	MTD	End Of Month Position	Bottom 10	MTD	End Of Month Position
Copper	0.66%	L	Cocoa (London)	-0.41%	S
Mini S&P Midcap 400	0.63%	L	Euro Currency	-0.44%	L
Volatility Index S&P500	0.55%	S	Sugar No. 11 ICE	-0.45%	L
Lumber	0.34%	L	Mini DowJones	-0.45%	S
Mini MSCI Emerg. Markets	0.32%	L	Lean Hogs	-0.47%	L
US Ultrabond	0.30%	L	Brent Oil	-0.52%	L
MDAX	0.25%	L	Crude Oil	-0.55%	S
German Bond	0.25%	L	Platinum	-0.61%	L
CenturyLink (CFD)	0.20%	L	Silver	-0.95%	L
Bitauto Holding (CFD)	0.18%	L	Gold	-1.79%	L

**Monthly sector performance contribution**


	Long	Short	Net
Stock Indices	139.32%	21.25%	118.07%
Bonds & Interest Rates	117.36%	52.16%	65.20%
Currencies	7.68%	39.48%	-31.80%
Energies	42.12%	9.97%	32.15%
Metals	44.56%	53.01%	-8.45%
Grains & Oilseeds	6.41%	17.44%	-11.03%
Softs & Meat	48.30%	13.13%	35.17%
EM Currencies	17.15%	12.37%	4.78%
EM others	9.46%	0.00%	9.46%
Single Stocks	60.12%	23.30%	36.82%

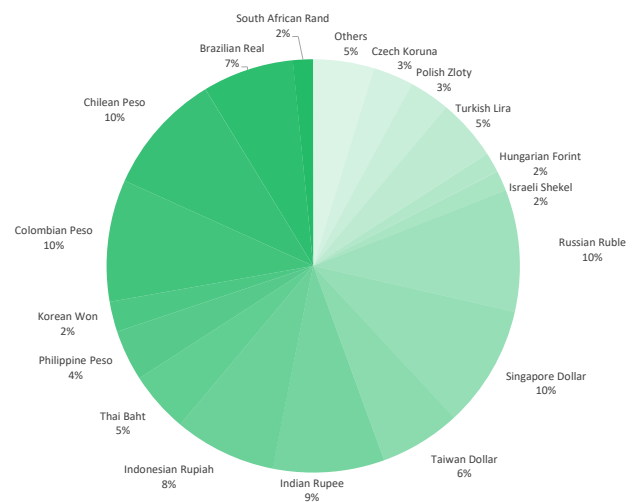
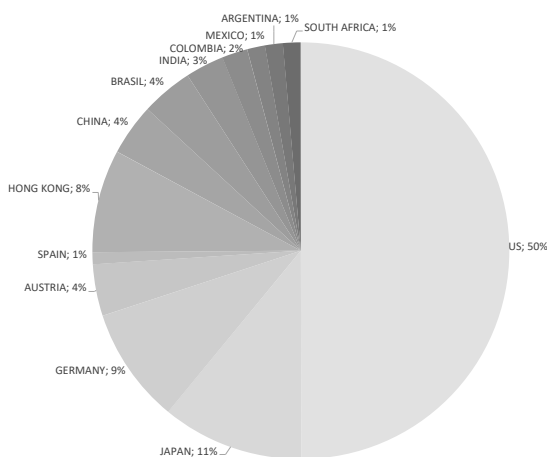
Gross and net exposure in percent as of 100% (Calculated as the sum of market values of holdings divided by end of month NAV)



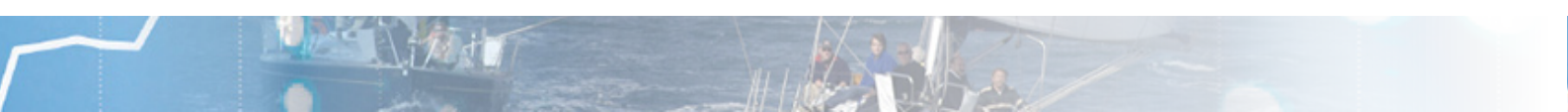
Net exposure breakdown including comparison with last month's figures

Stocks country exposure

EM currencies exposure



Risk based allocation of single stocks and EM currencies components as of 100% of total risk allocated to those sectors



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The prospectus of Qbasis All Trends Fund, all other fund related documents and other products mentioned in this document are available at Qbasis Invest GmbH, Brückenkopfgasse 1/5, 8020 Graz, Austria.

Any such solicitation or offer, if made, would be made only by way of a formal Prospectus, including any supplements thereto, which must be received and reviewed prior to any investment decision.

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**Risks:**

Hedge funds are considered highly speculative investments. No assurances can be made as to the returns experienced by the fund. There can be no guarantee that the investments made match the projected or historical returns, since past performance is no guarantee or indication of future results. A loss of the entire amount invested cannot be precluded. Any person subscribing for any investment must be able to bear the risks involved and must meet the suitability requirements relating to such investments. Some or all alternative investment programs may not be suitable for certain investors. The actual performance realized by any given investor will depend on, amongst other things, the product invested into, the class of shares/interests subscribed for the period during which such shares/interests are held and in what currency such shares/interest are held.

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