
ALTIS PARTNERS (JERSEY) LIMITED

PERFORMANCE REPORT: AUGUST 2016

PURETREND
(HYPOTHETICAL + PRO FORMA)

In Brief:

Pure Trend finished August slightly negative, reflecting the performance of the trend following CTA industry, though exhibiting some out performance versus the most obvious benchmark the Societe General Trend Index.

In Detail:

In a difficult month for the trend-following sector, Pure Trend's small loss may be regarded very positively. It avoided the major trend-following pitfalls in August. Strongly diversified risk within the Bond sector ensured low exposure to Japanese Government Bonds, which experienced an extreme trend reversal as the long term up trend sold off nearly 2% at the beginning of the month and as yet is showing no sign of a rebound. Another major cause of trend following losses in August was Cotton, which is not part of the Pure Trend portfolio due to insufficient liquidity. The portfolio constituents derive from a liquidity-based ranking in order to minimise execution costs for the investor.

Positive performance during August came from shorts in Grains and longs in Stock Indices. Losses were caused by long positioning in Bonds, predominantly in German 2, 5 and 10 yrs. Currency holdings also lost money as long positioning in the Japanese Yen continued to suffer in the drop after BoE announcements. Shorts in Mexican Peso, Canadian Dollar and the Euro were also wrong footed. The only positive contribution from currencies came from the continued short in British Pound. Whilst losses marginally out-weighted the gains, Pure Trend was a very strong performer in the context of the Trend-Following CTA sector.

Forecasts in the Bond sector were uniformly positive. UK Gilt futures performed well, as a result of the Bank of England decision to cut its benchmark interest rate to 0.25% as part of a stimulus package that exceeded market expectations. This was in stark contrast to the disappointing performance from the rest of the sector, particularly Japanese Government Bonds.

Short positions in Wheat and Corn were especially profitable. They are both in a long-term downward trends and, after a brief rally, dropped 10% in late August.

Pure Trend held predominantly long positions in the Stock Indices. This stance was rewarded by strong performance across the sector. The exceptions to the rule were short positions the Italian MIB Index and the JSE Top 40.

We go in to September maintaining shorts in British Pound, Swiss Franc and Mexican Peso, while increasing shorts in Corn and Wheat. Forecasts in the Stock Index sector remain bullish with notably high sector allocation to the S&P and the Nasdaq. Long positioning in bonds is retained where the system still favours the German 2, 5 and 10year contracts for a rally.

We have produced a new presentation for the Pure Trend product. If you would like to receive it or have a call to walk through the finer details of the strategy please get in touch.

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NET PORTFOLIO STATISTICS [§]

Firm AUM (\$m)	261.84
Product AUM (\$m)	3.36
Monthly Return	-1.29 %
Year to Date Return	0.38 %
Return over last 12m	0.59 %
Annualised Return	11.95 %
Return since Inception	556.59 %
Annualised Volatility	15.05 %
Average Monthly Gain	3.84 %
Average Monthly Loss	-3.16 %
Winning Months	60.00 %
Losing Months	40.00 %
Largest Drawdown last 12 months	-11.21 %
Sharpe Ratio (Rf=0%)	0.83

§ Statistics are based on hypothetical monthly net returns from Jan 2000 to Dec 2015 and pro forma track record from Jan 2016 of Altis Master Fund ICC, PureTrend IC

TOP WINNERS AND TOP LOSERS LAST MONTH [1] [2]

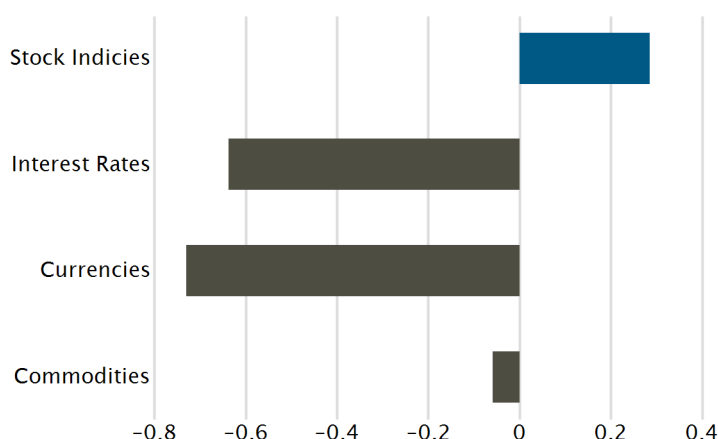
Winners

Wheat
 Corn
 Hang Seng Index
 Long Gilt
 Copper (High Grade)

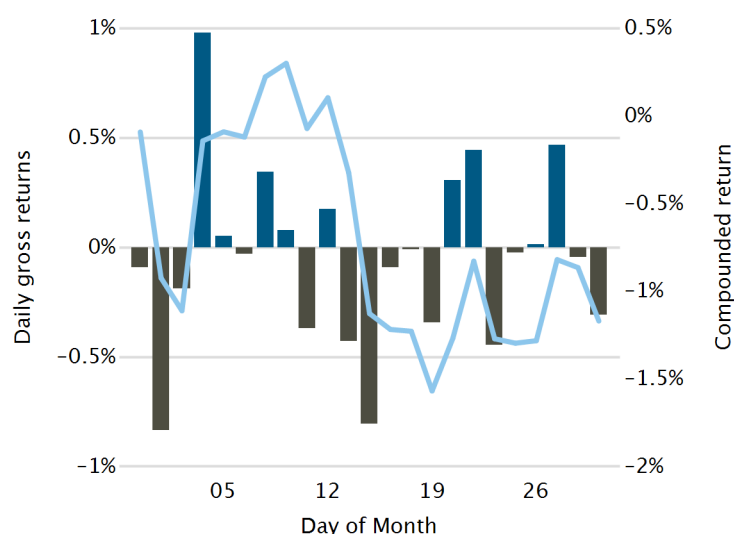
Losers

Japanese Yen
 Soybean Oil
 Japanese Gov Bond
 Silver
 Australian Dollar

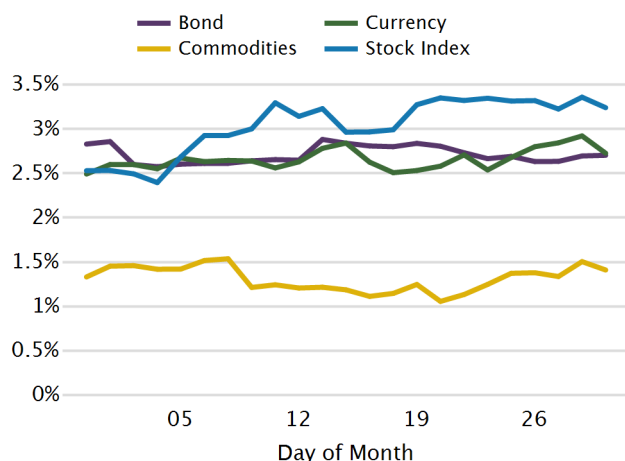
GROSS SECTOR PERFORMANCE LAST MONTH (%) [1]



GROSS DAILY RETURNS LAST MONTH [3]

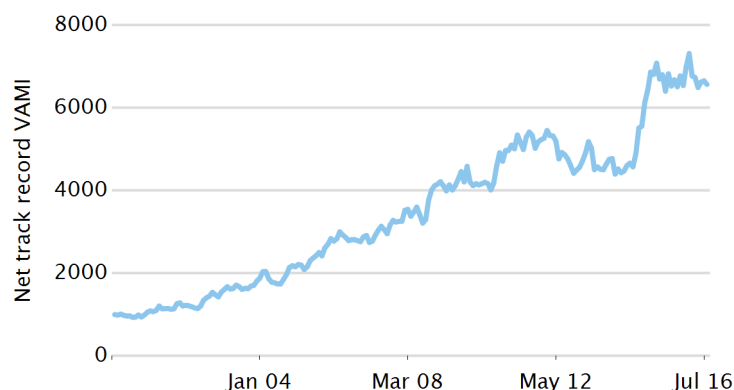


MARGIN TO EQUITY BY SECTOR LAST MONTH



TRACK-RECORD SINCE 2000 (LIVE FROM JAN 2016) [Φ]

Φ Statistics are based on hypothetical monthly net returns from Jan 2000 to Dec 2015 and pro forma track record from Jan 2016 of Altis Master Fund ICC, PureTrend IC



PAST PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE RESULTS

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MANAGED ACCOUNT TERMS

<i>Management fee</i>	1% per annum
<i>Performance fee</i>	0%
<i>High water mark</i>	N/A
<i>Liquidity</i>	Daily
<i>Subscription / Redemption notice</i>	1 day, before 5:30pm UK time

HYPOTHETICAL AND PRO FORMA NET MONTHLY PERFORMANCE SINCE INCEPTION (%) ^[1]

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2000	-1.35	2.40	-2.60	-1.78	0.26	-3.54	0.41	5.44	-4.87	5.03	6.76	3.08	8.81
2001	-1.70	2.99	9.54	-5.53	0.24	0.49	-1.94	1.29	10.70	1.58	-5.87	1.44	12.56
2002	-0.93	-2.02	-2.25	-1.59	5.49	11.51	4.71	2.80	6.20	-3.90	-3.33	7.97	25.93
2003	4.18	4.18	-3.39	0.91	4.89	-2.08	-3.96	1.57	-0.60	3.81	1.41	5.81	17.38
2004	4.06	8.08	0.20	-8.51	-4.39	-0.88	-1.63	0.05	6.30	6.28	8.81	1.92	20.49
2005	-1.21	2.63	-0.75	-4.81	3.18	6.85	2.77	2.42	3.15	-3.21	8.09	3.17	23.76
2006	5.11	-2.15	2.01	5.92	-2.52	-2.02	-2.75	0.89	0.07	-0.92	-0.85	4.20	6.69
2007	1.16	-5.76	1.07	5.11	4.14	3.21	-2.55	-3.26	7.24	3.42	-1.31	0.61	13.02
2008	0.10	8.12	0.60	-4.69	2.97	3.48	-5.11	-5.94	2.52	14.50	6.37	2.54	26.36
2009	0.98	1.42	-2.35	-2.95	3.61	-2.99	2.57	3.89	4.25	-5.58	8.91	-8.25	2.25
2010	-2.10	1.13	-0.67	0.70	0.82	-0.79	-3.64	4.15	10.04	6.80	-4.18	5.49	18.10
2011	0.03	2.64	-1.74	6.62	-3.29	-3.37	5.98	2.31	-1.52	-5.81	3.08	1.00	5.27
2012	0.69	3.53	-2.25	-0.15	-2.40	-8.22	3.23	-1.14	-2.07	-3.43	-3.94	1.74	-14.04
2013	1.53	3.47	3.98	5.50	-3.02	-10.34	1.51	-1.23	-0.32	3.00	2.55	0.40	6.22
2014	-7.91	2.84	-2.01	0.95	2.93	1.27	-1.90	6.96	12.67	0.78	10.27	4.95	34.64
2015	6.77	-0.80	3.98	-5.39	1.49	-5.81	6.55	-4.33	2.30	-2.50	4.04	-3.42	1.76
2016	6.99	4.48	-7.39	-0.58	-3.57	1.99	0.47	-1.29*					0.38*

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PURETREND (HYPOTHETICAL + PRO FORMA)

HYPOTHETICAL DATA DISCLOSURE

HYPOTHETICAL OR SIMULATED PERFORMANCE RESULTS HAVE CERTAIN INHERENT LIMITATIONS. UNLIKE AN ACTUAL PERFORMANCE RECORD, SIMULATED RESULTS DO NOT REPRESENT ACTUAL TRADING.

HYPOTHETICAL PERFORMANCE RESULTS HAVE MANY INHERENT LIMITATIONS, SOME OF WHICH ARE DESCRIBED BELOW. NO REPRESENTATION IS BEING MADE THAT ANY ACCOUNT WILL OR IS LIKELY TO ACHIEVE PROFITS OR LOSSES SIMILAR TO THOSE SHOWN. IN FACT, THERE ARE FREQUENTLY SHARP DIFFERENCES BETWEEN HYPOTHETICAL PERFORMANCE RESULTS AND THE ACTUAL RESULTS SUBSEQUENTLY ACHIEVED BY ANY PARTICULAR TRADING PROGRAM.

ONE OF THE LIMITATIONS OF HYPOTHETICAL PERFORMANCE RESULTS IS THAT THEY ARE GENERALLY PREPARED WITH THE BENEFIT OF HINDSIGHT. IN ADDITION, HYPOTHETICAL TRADING DOES NOT INVOLVE FINANCIAL RISK, AND NO HYPOTHETICAL TRADING RECORD CAN COMPLETELY ACCOUNT FOR THE IMPACT OF FINANCIAL RISK IN ACTUAL TRADING. FOR EXAMPLE, THE ABILITY TO WITHSTAND LOSSES OR ADHERE TO A PARTICULAR TRADING PROGRAM IN SPITE OF TRADING LOSSES ARE MATERIAL POINTS WHICH CAN ALSO ADVERSELY AFFECT ACTUAL TRADING RESULTS. THERE ARE NUMEROUS OTHER FACTORS RELATED TO THE MARKETS IN GENERAL OR TO THE IMPLEMENTATION OF ANY SPECIFIC TRADING PROGRAM WHICH CANNOT BE FULLY ACCOUNTED FOR IN THE PREPARATION OF HYPOTHETICAL PERFORMANCE RESULTS AND ALL OF WHICH CAN ADVERSELY AFFECT ACTUAL TRADING RESULTS.

SOME BUT NOT ALL OF THE LIMITATIONS ARE:

- + **SIMPLIFIED ACCOUNTING:** SIMULATIONS CONTAINED WITHIN THIS DOCUMENT ARE GROSS OF MANAGEMENT FEES PAID TO THE INVESTMENT MANAGER, UNLESS OTHERWISE INDICATED. SHOULD FEES BE INCLUDED THE PERFORMANCE RESULTS WILL BE AFFECTED. PROFITS ARE NOT COMPOUNDED, ACCOUNT VALUES ARE FIXED, ACCOUNT VALUES ARE NOT NECESSARILY THE SAME AS LIVE ACCOUNTS AND SIMULATIONS ARE NOT CONSTRAINED BY CAPACITY CONSIDERATIONS.
- + **EXECUTION:** ORDERS GENERATED IN SIMULATION HAVE ESTIMATED EXECUTION COSTS AND MARKET IMPACT, AS SUCH THEY DO NOT REFLECT THE ACTUAL COSTS THAT WOULD HAVE BEEN INCURRED. SINCE SIMULATED TRADES HAVE NOT ACTUALLY BEEN EXECUTED, THE RESULTS MAY HAVE UNDER-OR OVER-COMPENSATED FOR THE IMPACT OF CERTAIN MARKET FACTORS SUCH AS THE LACK OF LIQUIDITY.
- + **LIMITED DATE RANGE:** WHILE WE SIMULATE TRADING OVER AS LONG A DATE RANGE AS POSSIBLE IT IS IMPOSSIBLE TO TEST OVER ALL CONCEIVABLE MARKET CONDITIONS.
- + **VOLATILITY:** SIMULATED RETURNS HAVE BEEN NORMALISED TO MATCH VOLATILITY AS INDICATED.

NO REPRESENTATION CAN BE MADE THAT ANY ACCOUNT WILL OR IS LIKELY TO ACHIEVE PROFITS OR LOSSES SIMILAR TO THOSE SHOWN.

THE DATA CONTAINED IN THIS DOCUMENT HAS BEEN PROVIDED FOR INFORMATIONAL PURPOSES ONLY AND SHOULD NOT BE CONSIDERED THE SOLE SOURCE OF PORTFOLIO DUE DILIGENCE OR THE SOLE INDICATOR OF SUITABILITY FOR INVESTMENT.

REPORT NOTES

Page 1

- 1 Sector and market returns for last month are based on gross estimates
- 2 Winners ranked from largest positive cumulative gross return for the current month. Losers ranked from largest negative gross return for the current month
- 3 Daily returns for last month are based on gross estimates

Page 2

- 1 Returns for last month and year to date are estimated, as denoted by asterisks. Monthly performance is based on hypothetical net returns from January 2000 to December 2015 (denoted in grey), and live track record from January 2016 of Altis Master Fund ICC, PureTrend IC (denoted in blue/red)

PRO FORMA DISCLOSURE

THIS REPORT REPRESENTS THE PRO FORMA TRADING RESULTS OF A CLIENT ACCOUNT MANAGED BY ALTIS PARTNERS (JERSEY) LIMITED IN THE PURETREND PORTFOLIO. PRO FORMA MANAGEMENT FEES AND PERFORMANCE FEES ARE CALCULATED AT THE RATES STATED IN THE "MANAGED ACCOUNT TERMS" SECTION ABOVE.

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ABOUT THIS REPORT

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RISK DISCLOSURE STATEMENT

FUTURES TRADING IS SPECULATIVE, VOLATILE AND HIGHLY LEVERAGED. **PAST PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE RESULTS.** THE RISK OF LOSS IN TRADING COMMODITIES CAN BE SUBSTANTIAL. YOU SHOULD THEREFORE CAREFULLY CONSIDER WHETHER SUCH TRADING IS SUITABLE FOR YOU IN LIGHT OF YOUR FINANCIAL CONDITION. IN CONSIDERING WHETHER TO TRADE OR TO AUTHORIZE SOMEONE ELSE TO TRADE FOR YOU, YOU SHOULD BE AWARE OF THE FOLLOWING:

IF YOU PURCHASE A COMMODITY OPTION, YOU MAY SUSTAIN A TOTAL LOSS OF THE PREMIUM AND OF ALL TRANSACTION COSTS. IF YOU PURCHASE OR SELL A COMMODITY FUTURE OR SELL A COMMODITY OPTION, YOU MAY SUSTAIN A TOTAL LOSS OF THE INITIAL MARGIN FUNDS AND ANY ADDITIONAL FUNDS THAT YOU DEPOSIT WITH YOUR BROKER TO ESTABLISH OR MAINTAIN YOUR POSITION. IF THE MARKET MOVES AGAINST YOUR POSITION, YOU MAY BE CALLED UPON BY YOUR BROKER TO DEPOSIT A SUBSTANTIAL AMOUNT OF ADDITIONAL MARGIN FUNDS, ON SHORT NOTICE, IN ORDER TO MAINTAIN YOUR POSITION. IF YOU DO NOT PROVIDE THE REQUIRED FUNDS WITHIN THE PRESCRIBED TIME, YOUR POSITION MAY BE LIQUIDATED AT A LOSS, AND YOU WILL BE LIABLE FOR ANY RESULTING DEFICIT IN YOUR ACCOUNT. UNDER CERTAIN MARKET CONDITIONS, YOU MAY FIND IT DIFFICULT OR IMPOSSIBLE TO LIQUIDATE A POSITION. THIS CAN OCCUR, FOR EXAMPLE, WHEN THE MARKET MAKES A "LIMIT MOVE". THE PLACEMENT OF CONTINGENT ORDERS BY YOU OR YOUR TRADING ADVISOR, SUCH AS A "STOP LOSS" OR "STOP LIMIT" ORDER, WILL NOT NECESSARILY LIMIT YOUR LOSSES TO THE INTENDED AMOUNTS, SINCE MARKET CONDITIONS MAY MAKE IT IMPOSSIBLE TO EXECUTE SUCH ORDERS. A "SPREAD" POSITION MAY NOT BE LESS RISKY THAN A SIMPLE "LONG" OR "SHORT" POSITION.

THE HIGH DEGREE OF LEVERAGE THAT IS OFTEN OBTAINABLE IN COMMODITY TRADING CAN WORK AGAINST YOU AS WELL AS FOR YOU. THE USE OF LEVERAGE CAN LEAD TO LARGE LOSSES AS WELL AS GAINS.

IN SOME CASES, MANAGED COMMODITY ACCOUNTS ARE SUBJECT TO SUBSTANTIAL CHARGES FOR MANAGEMENT AND ADVISORY FEES. IT MAY BE NECESSARY FOR THOSE ACCOUNTS THAT ARE SUBJECT TO THESE CHARGES TO MAKE SUBSTANTIAL TRADING PROFITS TO AVOID DEPLETION OR EXHAUSTION OF THEIR ASSETS.

THIS BRIEF STATEMENT CANNOT DISCLOSE ALL THE RISKS AND OTHER SIGNIFICANT ASPECTS OF THE COMMODITY MARKETS. YOU SHOULD, THEREFORE, CAREFULLY STUDY COMMODITY TRADING BEFORE YOU TRADE.

YOU SHOULD ALSO BE AWARE THAT THIS COMMODITY TRADING ADVISOR MAY ENGAGE IN TRADING FOREIGN FUTURES OR OPTIONS CONTRACTS. TRANSACTIONS ON MARKETS LOCATED OUTSIDE THE UNITED STATES, INCLUDING MARKETS FORMALLY LINKED TO A UNITED STATES MARKET MAY BE SUBJECT TO REGULATIONS WHICH OFFER DIFFERENT OR DIMINISHED PROTECTION. FURTHER, UNITED STATES REGULATORY AUTHORITIES MAY BE UNABLE TO COMPEL THE ENFORCEMENT OF THE RULES OF REGULATORY AUTHORITIES OR MARKETS IN NON-UNITED STATES JURISDICTIONS WHERE YOUR TRANSACTIONS MAY BE AFFECTED. BEFORE YOU TRADE YOU SHOULD INQUIRE ABOUT ANY RULES RELEVANT TO YOUR PARTICULAR CONTEMPLATED TRANSACTION AND ASK THE FIRM WITH WHICH YOU INTEND TO TRADE FOR DETAILS ABOUT THE TYPES OF REDRESS AVAILABLE IN BOTH YOUR LOCAL AND OTHER RELEVANT JURISDICTIONS.

YOU MUST PLACE ALL FUNDS FOR TRADING IN THIS TRADING PROGRAM DIRECTLY WITH A FUTURES COMMISSION MERCHANT.

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