SFDR Disclosure

KeyQuant believes that its fiduciary duty is aligned with sustainable investment and that it has a duty to its investors to make well-informed investment decisions: environment, social and governance (“ESG”) factors are a key element of this. It also seeks to consider the sustainability-related preferences of its investors and to minimize the adverse impacts of its investments by using its investments, its voice, and its leverage to help shape a better future.

KeyQuant specializes in the design and the management of consistent systematic trading strategies based on quantitative analysis while attempting to control risks. Current investment portfolios managed pursuant to KeyQuant diversified trend programs (the “Key Trends Programs”) comprise seventy-five future contracts on thirteen different futures exchange markets in nine countries. They cover short-term and long-term interest rates, currencies, equities, stock indices and commodities.

The Key Trends Programs, whose applied principles of risk management play a dominant role, are designed to pursue capital growth within the limits of a defined risk tolerance and to benefit from directional price moves in outright prices and in spreads on a short to mid-term horizon.

Most importantly, KeyQuant aims to identify and exploit sustained capital flows across asset classes as markets move back out of and into equilibrium, often after prolonged imbalances. It concentrates on providing liquidity to the markets and therefore actively contributes to fair prices formation for the benefit of economic actors.

KeyQuant structures the definition of sustainability risk around six main themes:

- Reputational risk
- Risk of corruption and money laundering
- Liability risk relating to climate change
- Physical risk relating to climate change
- Transition risk relating to climate change
- Risk relating to biodiversity

Sustainability risk is one of the components of the overall risk management framework adopted by KeyQuant. However, though sustainability risk is also one of the elements of market price risk of the markets traded, risk relating to climate change and biodiversity is not significant within the time horizon in which the KeyQuant actively reviews investments. Therefore, when making investment decisions, KeyQuant does not specifically consider the principal adverse impacts of its investment decisions on climate change and biodiversity.

The investment strategy is designed to be diversified and not hold concentrated positions which mitigates the risk that any specific ESG event or condition will have a material negative impact on the overall value of the investments.

The investments underlying the program do not take to account the EU criteria for environmentally sustainable economic activities as KeyQuant applies a strategy that it considers is not compatible with position-by-position analysis with respect to principal adverse impacts on climate change and biodiversity and because it invests in many types of asset classes where it is not considered practical to quantify such principal adverse impact.

The Key Trends Programs investments do not bear any voting rights either so voting, such as on ESG related matters, is not within its scope.

KeyQuant is part of the initiatives the industry takes in advocacy, policy and regulatory engagement, educational programs and sound practice guides. It also promotes the raise of the media and public awareness of the value of the investment industry.

In summary, KeyQuant aims to be a responsible investor, committed to fulfil the inherent responsibilities of a CTA which does not affect consumption nor production and is consequently a signatory since January 2020 of the Principles for Responsible Investment supported by the United Nations.

KeyQuant acting as a French based company has finally taken corporate initiatives to help achieve the objectives of the Paris Climate Agreement and fully support the EU carbon neutrality objective alongside the rest of the environmental and social objectives embedded in the EU Green Deal by shaping employee terms and benefits to incentivize sustainability, lower carbon emissions, inclusivity, and retention of more diverse talents.