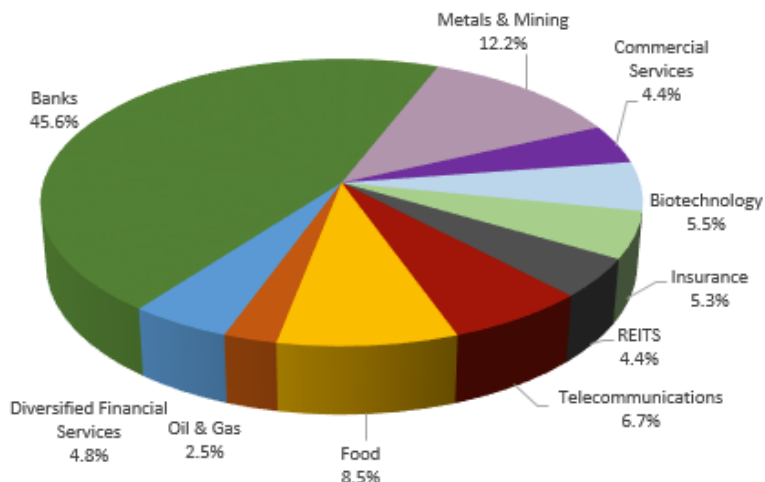


**YMAX Commentary - 2017 August (July Option Period)**  
**Adviser Use Only**
**S&P/ASX20 Index Industry Breakdown**


Source: Bloomberg as at 27 July 2017

**YMAX**

NAV per unit (June 29)	\$9.19
NAV per unit (July 27)	\$9.08

**July Option Period Returns**

YMAX Total Return	0.48%
S&P/ASX 20 Index Total Return	0.72%
Over/(Under) Performance	-0.24%

**July Options at Inception**

1-Mth Implied Vol	17.5%
Portfolio Delta	-0.25
% Portfolio Written	80%

**August Options at Inception**

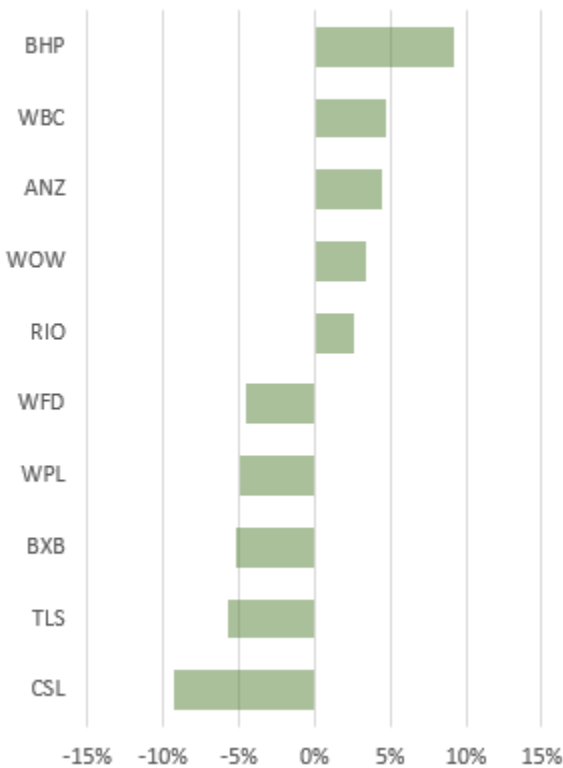
1-Mth Implied Vol	18.6%
Portfolio Delta	-0.22
% Portfolio Written	85%

**Distributions Per Unit (by ex-date)**

3-Jul-17	\$0.15
3-Apr-17	\$0.15
3-Jan-17	\$0.20
4-Oct-16	\$0.28

The YMAX total return was 0.48% between 29 June 2017 and 27 July 2017 (“July Option Period” or “Period”). The S&P/ASX 20 Index (“S&P/ASX 20” or “Index”) total return was 0.72% over the same Period, and as a result YMAX underperformed by -0.24%. Significant dispersion continued to exist in both stock and sector performances within the Index – and this despite the overall index level only being marginally positive. Half the stocks (10) posted positive returns whilst the other half finished negative; and stock returns ranged from between +9.24% to -9.33%. The banking sector remains the largest sector within the portfolio. After initially drifting lower, all the banking stocks rallied following the Australian Prudential Regulation Authority’s (“APRA”) announcement of a 10.5% Tier 1 capital ratio requirement to be met by 2020. This ratio was lower than widely anticipated and, as a result, received positively for the banking names. Commodities performed strongly over the Period with WTI Crude Oil up +9.15% in US Dollars and spot Iron Ore up +9.53%. Realised volatility levels also increased significantly over the Period and remained higher than implied volatility. August options were written approximately 3.32% out-the-money on 85% of the portfolio, with a -0.22 portfolio delta.

### Top / Bottom 5 stock movers



BHP Billiton (“BHP”) was the strongest performer in the Period with a +9.24% return. Within the Materials sector, only BHP’s option positions resulted in a net buy back cost to the Fund as RIO Tinto’s (“RIO”) option position strikes were not challenged.

Although all the banking stocks performed positively in the Period, not all the names resulted in net buy back costs to the Fund. The option positions for Commonwealth Bank (“CBA”) resulted in full option premium capture, whilst National Australia Bank (“NAB”) resulted in a net option premium capture. However the strong performances of Westpac (“WBC”) and Australia and New Zealand Banking Group (“ANZ”) resulted in buyback costs, which more than offset any of the gains made on CBA and NAB.

CSL was the worst performing stock, with its performance mostly explained as giving back some of the very strong returns seen over the year.

Implied volatility levels increased marginally over the Period, with the largest increases seen in the stocks with the worst performance (CSL, Brambles (“BXB”), and Woolworths (“WOW”)).

YMAX utilized S&P/ASX 200 Index option coverage which allowed the Fund to increase overall written coverage levels, whilst decreasing single stock call away risk. The Index option prices benefited from higher implied volatility and resulted in full option premium capture in the Period.

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