BetaShares

YMAX Commentary - 2018 February (January Option Period)
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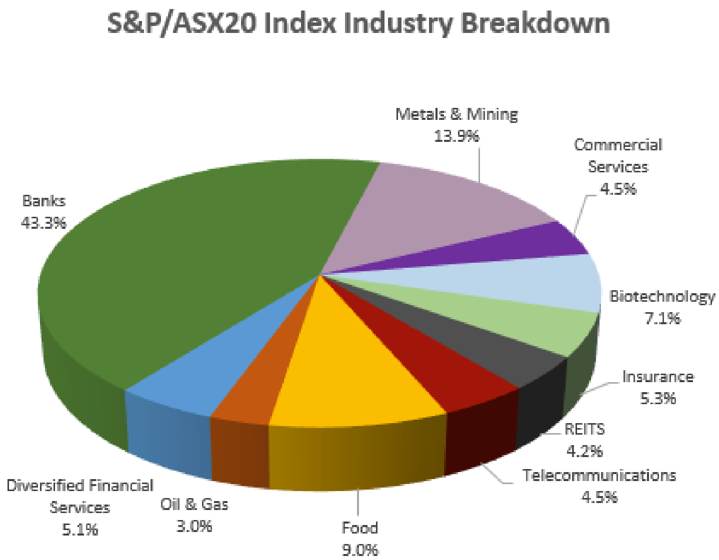
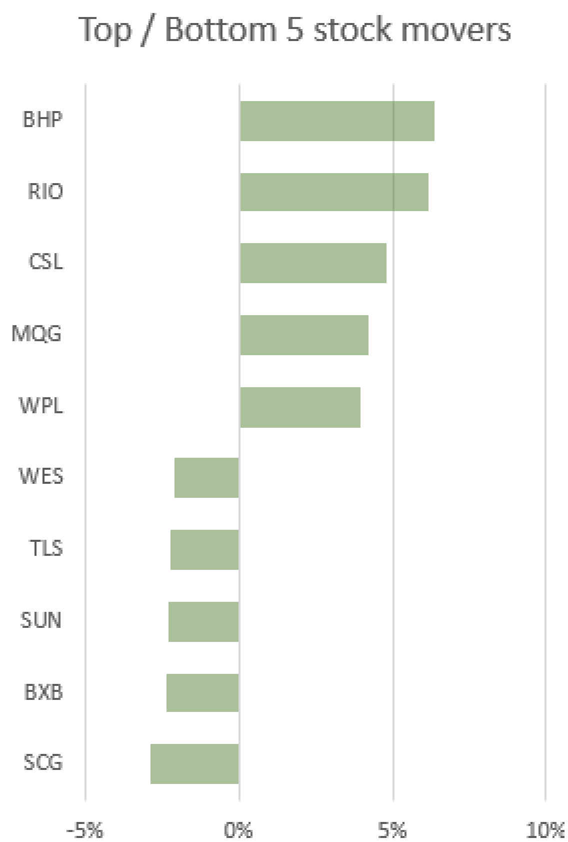


Source: Bloomberg as at 24 January 2018

YMAX	
NAV per unit (December 21)	$9.09
NAV per unit (January 24)	$8.97
January Option Period Returns	
YMAX Total Return	0.68%
S&P/ASX 20 Index Total Return	0.60%
Over/(Under) Performance	0.08%
January Options at Inception	
1-Mth Implied Vol	12.8%
Portfolio Delta	-0.24
% Portfolio Written	81%
February Options at Inception	
1-Mth Implied Vol	15.0%
Portfolio Delta	-0.24
% Portfolio Written	80%
Distributions Per Unit (by ex-date)	
2-Jan-18	$0.18
2-Oct-17	$0.29
3-Jul-17	$0.15
3-Apr-17	$0.15

The YMAX total return was 0.68% between 21 December 2017 and 24 January 2018 ("January Option Period" or "Period"). The S&P/ASX 20 Index ("S&P/ASX 20" or "Index") total return was 0.60% over the same Period, and as a result YMAX outperformed the Index by 0.08%. 2017 will mostly be remembered as the year of ultra-low volatility and December recorded the lowest point for the year for both historical (realized) and implied volatility. 30-Day annualized historical volatility for the Index dipped below 6% at the end of December – the lowest level in 5 years. The largest stocks by market capitalization, as represented by the S&P/ASX20 Index constituents, have had another disappointing year relative to the broader market. 2017 is the fourth consecutive year of underperformance and will rank as the worst with a -4.52% relative return.

February options were written on 80% of the portfolio, with a -0.24 portfolio delta and approximately 2.8% out-the-money. Implied volatilities increased across most of the names as the stock market weakened into expiry, along with the usual tendency for implied volatilities to increase going into the earnings announcement season.



Increased confidence in global growth forecasts saw a surge in metals and crude oil prices over December. This in turn fueled the share prices of both BHP Billiton ("BHP") and Rio Tinto ("RIO"). BHP was the strongest YMAX performer with a +6.38% return whilst RIO delivered an equally impressive +6.16%. Both stocks also significantly outperformed the broader market over 2017. Both strikes were challenged resulting in a net premium cost to the Fund. Despite these strong positive returns, the implied volatilities on both stocks increased significantly as the overall market started selling off into expiry.

CSL Ltd. ("CSL") recovered strongly after its weak return over the previous Period. The stock rallied +4.80% with investors positively adjusting expectations for the upcoming earnings release. This rally challenged the strike price and resulted in a net buyback cost to YMAX.

The banking sector remains the largest sector in YMAX. All the constituent stocks had negative performances, with Commonwealth Bank ("CBA") recording the weakest performance with a -1.45% return. Australian banking stock share prices have been under pressure as the big 4 banks face earnings growth headwinds and increased public and government scrutiny. None of the strike positions were challenged and, as a result, YMAX retained all the option premium on these names.

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. Even though the S&P/ASX 200 Index produced a positive performance, the index option strike was not challenged and hence resulted in the Fund retaining all the option premium.