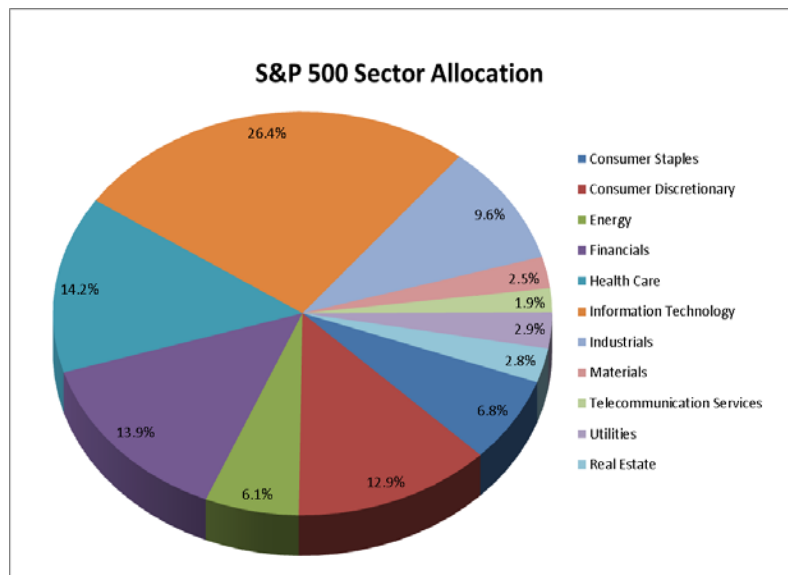


UMAX commentary –August 2018 (July Option Period) Adviser Use Only



Source: Bloomberg, as of 20 July 2018.

UMAX: ASX

NAV per unit (July 20)	\$19.3971
NAV per unit (June 15)	\$19.3195

July Option Period Returns

UMAX Total Return	1.83%
S&P 500 Total Return	1.57%
Over (Under) Performance	0.26%

July Options at Inception

1-Mth Implied Vol.	8.6%
Portfolio Delta	-0.27
% Portfolio Written	95%

August Options at Inception

1-Mth Implied Vol.	8.9%
Portfolio Delta	-0.26
% Portfolio Written	95%

Distribution Per Unit History (by ex-date)

2 July 2018	\$0.2706
2 April 2018	\$0.2386
2 January 2018	\$0.1688
2 October 2017	\$0.1711

The UMAX total return was 1.83% between 15 June 2018 and 20 July 2018 (“July Option Period” or “July Period”). The S&P 500® Index (the “S&P 500” or “Index”) had a total return of 1.57%, in AUD terms. The Index returned 0.89% in U.S. dollar terms. The July Option Period started with choppy markets into the end of the month of June 2018. Worries over tit-for-tat trade tariff exchanges between China and the U.S. gave investors pause and high momentum technology stocks experienced some rare selloffs. The market sold off 2.18% between 15 June 2018 and 29 June 2018. The environment improved in July, however, with the market recouping all of its losses and trading higher over the Period. Strong second quarter earnings from the financial sector helped the indices recover and left investors more confident about strong earnings growth going forward. In the past, the summer months have coincided with increased volatility in the market. While there was a jump in volatility towards the end of June, the 20 day realized volatility was still below 10 for the second consecutive period. The CBOE VIX® Index (“VIX”) also ended the period near its lows of the year. The 1-month options volatility closed at 8.9% on 20 July 2018, close to unchanged versus the previous period. The new August 2018 options were written with approximately 95% coverage, 1.4% out-of-the money and to an initial portfolio delta of -0.26.

Information Technology (Index weight: 26.4%)

At over one quarter of the market capitalization of the Index, the Information Technology sector is the bellwether of the Index’s performance. Information technology stocks were higher during the July period, outperforming the overall Index. Despite the good performance overall, semiconductor stocks suffered. All semiconductor names but one traded lower during the July Option Period. Broadcom Inc. (“BRCM”) was hit

particularly hard, returning -22.2% lower during the period.

Financials (Index weight: 13.9%)

While the Financial sector was close to unchanged, increasing 0.3% during the July Option Period, there was plenty of movement in these shares during that timeframe. JPMorgan Chase (“JPM”) and Bank of America Corp (“BAC”) were down -3.4% and -3.7% respectively between 15 June 2018 and 29 June 2018,

only to recover all those losses and end the July Option Period up 3.1% and 2.9% respectively. Better than expected second quarter earnings helped financial stocks recover earlier losses.

Real Estate (Index weight: 2.7%)

The Real Estate sector was the second best performing sector, trading 2.8% higher during the July Option Period. This was the third consecutive positive month for the sector after a difficult start to the year.

Healthcare (Index weight: 14.1%)

The Healthcare sector performed well during the July Period, increasing 1.4%. The sector was buoyed by the biotechnology stocks in the sector. Eight of the nine biotechnology stocks in the Index increased, led by Biogen Inc. ("BIIB") which increased 17.6% during the July period.

Consumer Discretionary (Index weight: 12.9%)

The consumer discretionary sector was virtually unchanged during the July Period, returning -0.1%. Amazon Inc. ("AMZN"), however, continued to do well increasing 5.7% during the July Option Period. AMZN was getting closer to surpassing Apple Inc. ("AAPL") as the largest stock by market capitalization, hitting a high of over \$900 billion total market capitalization during the July Period.

Industrials (Index weight: 9.6%)

The Industrial sector was the second worst performing sector during the July Option Period. Transportation stocks were particularly weak, with Fedex Corp. ("FDX") and United Parcel Service ("UPS") returning -11.2% and -4.0% respectively during the July Period.

Consumer Staples (Index weight: 6.8%)

The Consumer Staples sector continued higher by 2.3% during the July Option Period. Food and beverage names gave back some performance as Estee Lauder ("EL") and Tyson Foods ("TSN") dropped -10.73% and -10.71% respectively.

Energy (Index weight: 6.1%)

The Energy sector rebounded slightly as crude oil clawed back most of what it lost in the June period. Crude climbed 8.3% in the July Period. Oil and gas names performed favourably, as 15 of 23 names rose strongly in the cycle despite falling natural gas prices. Cimarex Energy ("XEC") and Concho Resources ("CXO") soared by more than 13% apiece in the July Option Period.

Materials (Index weight: 2.5%)

The Materials sector succumbed to selling as chemical and copper names fell sharply. Copper has been exceptionally weak, falling more than 10% in the period. Miner Freeport-McMoran ("FCX") retreated by more than -6% in the July period.

Telecommunication Services (Index weight: 1.9%)

The Telecommunication sector slid -0.6%. AT&T Inc. ("T") continued to be volatile and fell -6.18% in the July Option Period.

Utilities (Index weight: 2.9%)

The traditionally defensive Utilities soared an uncharacteristically large 5.5% in the July Period as dividend payers returned to the forefront. An impressive 26 of 29 sector names rose in this cycle.

The Fund's equity exposures continue to be obtained indirectly via its holding of one or more US-listed exchange traded funds.

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