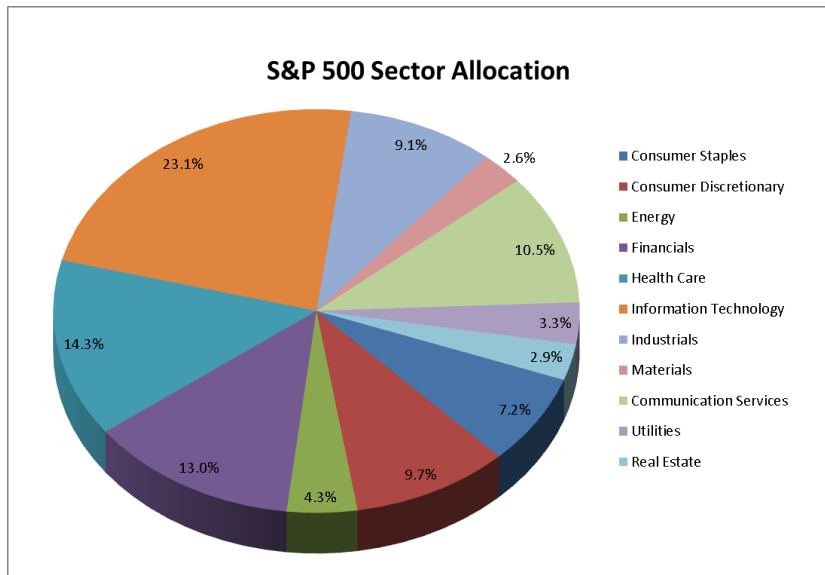


UMAX commentary – January 2020 (December Option Period) Adviser Use Only



Source: Bloomberg, as of 20 December 2019

UMAX: ASX

NAV per unit (December 20)	\$ 21.1772
NAV per unit (November 15)	\$21.0873

December Option Period Returns

UMAX Total Return	0.43%
S&P 500 Total Return	2.01%
Over (Under) Performance	-1.59%

December Options at Inception

1-Mth Implied Vol.	9.7%
Portfolio Delta	-0.26
% Portfolio Written	95%

January Options at Inception

1-Mth Implied Vol.	9.7%
Portfolio Delta	-0.24
% Portfolio Written	97%

Distribution Per Unit History (by ex-date)

2 January 2020	\$0.2615
1 October 2019	\$0.2615
1 July 2019	\$0.2826
1 April 2019	\$0.3117

The UMAX total return was 0.43% between 15 November 2019 and 20 December 2019 ("December Option Period" or "December Period"). The S&P 500® Index (the "S&P 500" or "Index") had a total return of 2.01%, in AUD terms, during the same December Period. The Index progressed higher throughout the December Period, led by Technology and Healthcare stocks. The stock market seemed to benefit from the oft-cited "Santa Claus effect", where investors buy equities into the end of the calendar year. News on December 13, 2019 that the US and China would not impose additional tariffs was welcomed by the market, as was news that there was major overall progress between the two nations on a trade deal. The VIX volatility Index ended the December Option Period slightly higher, but not before making a new all-time low on November 26, 2019 when it closed at 11.54. The new January 2020 options were written with approximately 97% coverage, 1.7% out-of-the money and to an initial portfolio delta of -0.24.

Information Technology (Index weight: 23.1%)

The Information Technology sector continued to do extremely well during the December Option Period, returning 4.4%. The technology sector was the second best performing sector in the Index during this period and ended at new all-time highs. This followed an even stronger November Period when technology shares were the best performing sector. The top two stocks by market capitalization in the Index, Microsoft Corp. ("MSFT") and Apple Inc. ("AAPL") both surged by over 5% during the December Option Period.

Financials (Index weight: 13.0%)

Financials traded higher in line with the overall Index during the December Option Period, returning 3.4%. Banks were amongst the top performers in the sector with J.P. Morgan Chase and Co. ("JPM"), Bank of America Corp ("BAC") and Citigroup Inc. ("C") all returning over 5% during the December Period. Of the 22 bank stocks in the Index, only one traded lower in the period.

Real Estate (Index weight: 2.9%)

The Real Estate sector was again an under performer during the December Option Period. After being the worst performer in the previous period, it was the

second worst performing sector this period. Retail focused REITs were to blame for the poor performance, as shopping malls and their large retailing tenants continue to struggle.

Healthcare (Index weight: 14.3%)

The Healthcare sector gained 5.7% during the December Option Period. It was the best performing sector in the Index, following a strong performance in the November Period. Major pharmaceutical companies did particularly well during the period. Johnson & Johnson, Merck & Co., Pfizer Inc. and Bristol-Myers Squibb all returned over 5% during the December Option Period.

Consumer Discretionary (Index weight: 9.7%)

The Consumer Discretionary sector returned 2.7% during the December Option Period, an improvement over the previous period when the sector had underperformed. Despite the gains, the sector underperformed the Index and was dragged down by retail stocks, with retailers Dollar Tree Inc. ("DLTR") and Kohl's Corp. ("KSS") both losing over 10% during the December Period.

Industrials (Index weight: 9.1%)

Gains were uniform across the sector, with 61 of the 69 stocks in the sector having positive returns during the period. Aerospace and airlines shares did particularly well with the 14 companies in the subsectors all gaining during the period.

Consumer Staples (Index weight: 7.2%)

The Consumer Staples sector also traded higher during the December Option Period, adding 3.1% for the cycle.

This represented a third consecutive gain for the sector as consumer optimism continued largely unabated. Few sub-sectors were negative as agricultural, food and household product name companies moved higher in the period.

Energy (Index weight: 4.3%)

Despite a challenging month for natural gas, which fell -13.39%, energy constituent names continued to rebound and rose by 2.7% during the December Option Period. Crude oil rose 4.7% in the period likely bolstering demand for energy sector companies.

Materials (Index weight: 2.6%)

The Materials sector increased 1.0% during the December Option Period. Mining names did particularly well into renewed optimism for the global economy. Freeport-McMoran Inc. ("FCX") was the top gainer, returning 13.89% during the cycle.

Communication Services (Index weight: 10.5%)

The Communication Services sector returned 2.9% during the December Option Period. Most names in the sector rose, save for Century Link Inc ("CTL"), which continued to be volatile following a challenging year of internal problems. CTL returned -11.69% during the period.

Utilities (Index weight: 3.3%)

The Utilities sector recovered solidly in the December Option Period, rising 3.3%. So broad was the market rally that safe havens such as utilities were swept higher with it.

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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