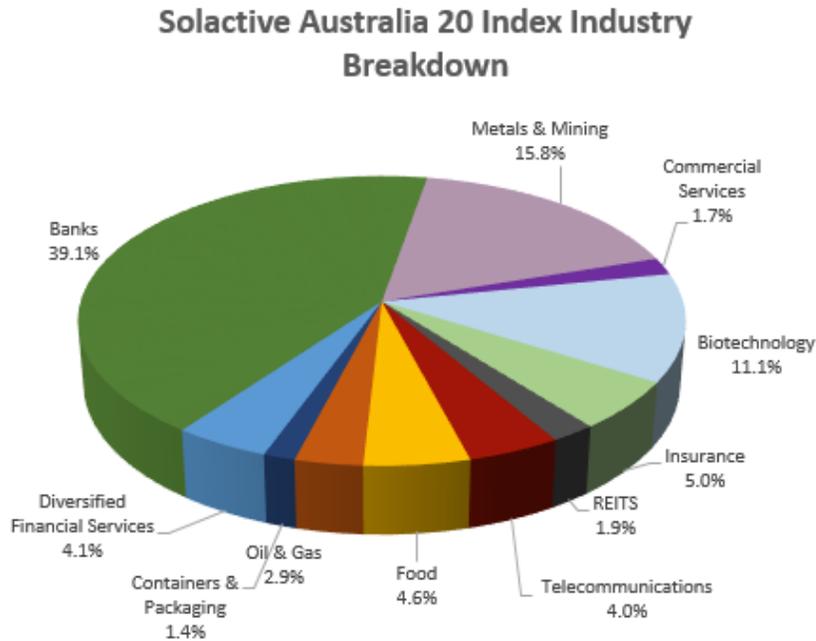


**YMAX Commentary – 2019 November (October Option Period)**  
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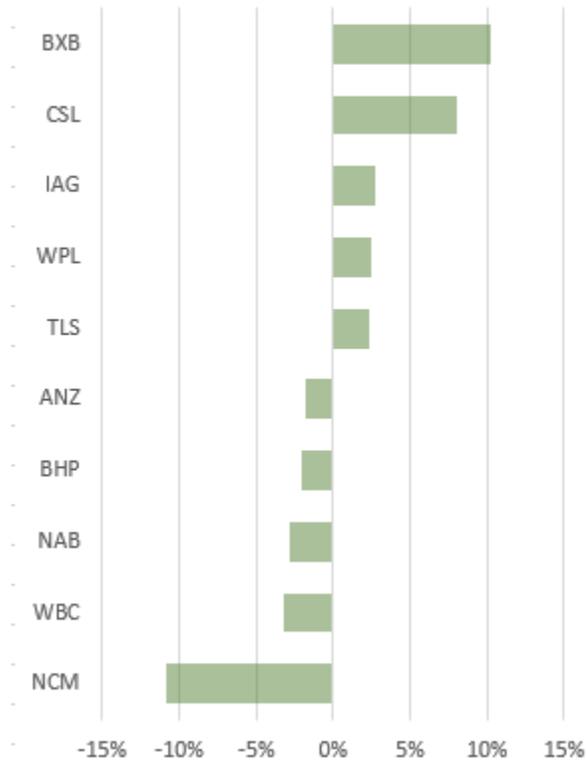
Source: Bloomberg as at 24 October 2019

<b>YMAX</b>	
NAV per unit (September 26)	\$8.72
NAV per unit (October 24)	\$8.50
<b>October Option Period Returns</b>	
YMAX Total Return	0.05%
Solactive Australia 20 Index	-0.02%
Over/(Under) Performance	0.07%
<b>October Options at Inception</b>	
1-Mth Implied Vol	17.0%
Portfolio Delta	-0.20
% Portfolio Written	77%
<b>November Options at Inception</b>	
1-Mth Implied Vol	17.3%
Portfolio Delta	-0.22
% Portfolio Written	77%
<b>Distributions Per Unit (by ex-date)</b>	
1-Oct-19	\$0.219
1-Jul-19	\$0.165
1-Apr-19	\$0.196
2-Jan-19	\$0.182

The YMAX total return was +0.05% between 26 September 2019 and 24 October 2019 (“October Option Period” or “Period”). The Solactive Australia 20 Index (“Index”) total return was -0.02% over the same Period, and as a result YMAX outperformed the Index by +0.07%.

The October Period saw a continuation of the US and China trade agreement roller coaster ride. After initially selling off, the markets recovered as trade tensions eased and US company earnings reports came out better than expected on average. In Australia there was a reversal in the relative performance of large caps as, unlike September, they lagged the broader market during this Period. The banks in particular were weaker, following the announcement by National Australia Bank (“NAB”) and Australia and New Zealand Banking Group (“ANZ”) of higher than expected customer remediation charges. In addition to this, the RBA cut the interest rate for a third time in 2019 to 0.75% and, whilst this provided support to the broader stock market, the impact on banks was seen as negative given the likely reduced future net interest margins.

### Top / Bottom 5 stock movers



In terms of the YMAX constituents, exactly 50% of the names produced positive performances, although only 3 constituents, CSL Limited (“CSL”), Brambles (“BXB”) and Macquarie Group Limited (“MQG”) increased to an extent that challenged their respective option strikes. CSL strengthened +8.09% on the back of updated forward earnings guidance and analyst upgrades. It is now the second largest company on the ASX, a remarkable achievement given that it was only ranked number 8 three years ago. Mining stocks were all weaker following softer iron ore, base and precious metal prices over the Period.

Implied volatilities remained at similar levels going into November. November options were written approximately 3.54% out-of-the-money on approximately 77% of the portfolio.

YMAX continues to utilize S&P/ASX 200 Index option coverage, which allows the Fund to increase overall written coverage levels, whilst decreasing single stock call away risk. These options expired worthless and therefore resulted in full premium capture to the Fund.

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