

31 January 2019

Performance

As at 31 January 2019

	1 month %	3 months %	1 year %	3 years % pa	Since inception ¹ % pa
Growth ²	(2.68)	(2.05)	(3.15)	(1.56)	(2.57)
Distribution ²	0.00	0.00	0.00	0.00	0.09
Total ²	(2.68)	(2.05)	(3.15)	(1.56)	(2.48)

¹ Inception Date: 12 May 2014

² Fund returns are calculated net of management fees. Distribution may include income, realised capital gains, and any return of capital

Past performance is provided for illustrative purposes only and is not a guide to future performance.

Fund facts

Summary

APIR code	GSF0009AU
Inception date	12 May 2014
Fund size: 31 January 2019	\$44.2 million (Class A & S)
Minimum investment	\$25,000
Unit valuation	Sydney Business Day
Applications and withdrawals	Daily
Distribution frequency	Generally quarterly
Cum unit prices ¹ at 31 January 2019	Application \$0.8877 Withdrawal \$0.8841
Responsible entity	Grant Samuel Fund Services Limited

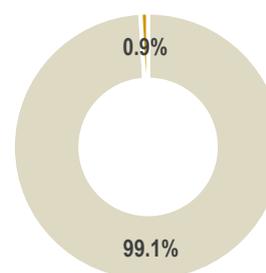
¹ Entry and exit prices for each Business Day available at www.gsfm.com.au

Fees

Establishment fee	Nil
Contribution fee	Nil
Withdrawal fee	Nil
Management costs ²	1.45%pa of the Net Asset Value of the Class A units
Performance fee ²	A Performance Fee is calculated each business day as 20% of the difference between the daily dollar return of the Fund and the daily dollar return of the Performance Benchmark (RBA Cash Rate Target).
Buy/Sell spread	+/- 0.20%

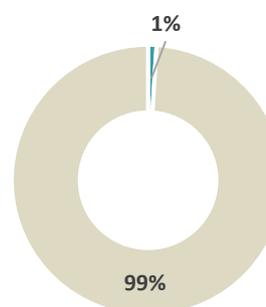
² Inclusive of the net impact of GST

Cash weighting of Fund



■ Cash ■ Volatility

Risk weighting of Fund



■ Cash ■ Volatility

The two pie charts above illustrate that although the majority of the Fund is invested in cash, it is not a traditional 'cash fund'. The majority of the Fund's risk exposure is derived from the volatility component of the investment strategy. More information can be found in 'Investment Strategy and how the Fund is managed' in Section 3 of the Fund's Product Disclosure Statement dated 22 February 2017 available at www.gsfm.com.au

Fund changes

There have been no material changes to the following since the last monthly update:

- Funds risk profile
- Funds investment strategy
- Key investment professionals for the Fund; and
- Key service providers.

Fund objective

The Fund aims to generate long-term absolute returns that are negatively correlated to Standard & Poor's 500® (also known as the S&P 500 Index®¹) (SPX), with an emphasis on positive returns when the SPX experiences falling (or 'bear') markets.

It is expected that the investment strategy will perform best in periods where the SPX is falling and volatility is high. In periods where the SPX remains stable or increases only steadily, the investment strategy is expected to generate cash-like returns.

The Fund aims to achieve its investment objective by investing a portion of the Fund in CBOE Volatility Index (VIX)² options (and other volatility related options being SPX options and VXX options) to gain exposure to volatility on the SPX (the volatility component).

The majority of the Fund is invested in cash and cash-like instruments, which include derivatives such as OTC interest rate investment contracts (for example Total Return Swaps) and bank bill futures traded on the Australian Securities Exchange (ASX) (Cash), and is expected to generate cash-like returns in periods where the SPX remains stable or increases only steadily and volatility is low (the cash component).

Fund review

The Volatility Advantage Fund returned -2.68% for January 2019, while the S&P 500 index had a very strong start of the calendar year returning +7.87% in US dollar terms.

The US stock market bounced back from one of the worst December performances to one of the best Januarys on record. The previous month's losses were mostly reversed due to strong corporate earnings and a more dovish Federal Reserve. There are still plenty of geopolitical concerns however. Issues related to the trade war, Brexit and the US government budget remain largely unresolved.

For more information about the Triple3 Volatility Advantage Fund, please go to www.gsfm.com.au.

Important information

The information contained in this document reflects, as of the date of publication, the views of Triple Three Partners Pty Ltd (Triple3) and sources believed by Triple3 to be reliable. There can be no guarantee that any projection, forecast or opinion in these materials will be realised. The views expressed in this document may change at any time subsequent to the date of issue.

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Past performance information given in this document is given for illustrative purposes only and should not be relied upon as (and is not) an indication of future performance. None of Grant Samuel Fund Services, its related bodies or associates nor any other person guarantees the repayment of capital or the performance of the Fund or any particular returns from the Fund. No representation or warranty is made concerning the accuracy of any data contained in this document. This document is issued on **15 February 2019**.

As the market rallied, the VIX index steadily declined from over 30 to below 20. Both S&P 500 and VIX options were under-owned and relatively inexpensive compared to realised volatility. Our proprietary model remained cautious and has been bullish volatility throughout the month. We maintained a decent level of long VIX and short S&P exposures, all of which turned out to be worthless.

Despite the recent rally, it is clear that the equity market is in a new volatility regime with a higher lower bound. We will continue to monitor it closely and put on the appropriate trades from a risk mitigation perspective to fulfil the Fund's intended roles.

Key investment professionals

Simon Ho, Chief Investment Officer

Simon founded Triple Three Partners Pty Ltd (Triple3) in 2009. He has over 20 years' industry experience, having held senior options trading and risk management roles at firms including Goldman Sachs London, Merrill Lynch New York, and JP Morgan Singapore. He is involved in various initiatives within the options industry to develop volatility-based products and is a regular options expert contributor to various TV and print media outlets. Simon completed a Bachelor of Social Science (Economics) at the University of New South Wales in 1992.

As the CIO, Simon spends a substantial amount of his time overseeing the management of the Volatility Advantage investment strategy.

John Zhu, Portfolio Manager

John has over 9 years' experience in financial markets, in both quantitative research and trading. His previous roles include quantitative trading at ABN Amro and Royal Bank of Scotland and options market-making at Optiver. John completed his BSc Honours (First Class) in Applied Mathematics specialising in quantitative finance at Sydney University in 2006, where he won the prestigious University Medal.

John is responsible for implementation of the strategy of the Fund on a day to day basis. John primarily spends his time on investment activities applicable to the Volatility Advantage investment strategy.

¹ Standard & Poor's and S&P are registered trademarks of Standard & Poor's Financial Services LLC (S&P), a part of McGraw Hill Financial Inc.

² The CBOE Volatility Index® (VIX®) is a Registered Trademark of the Chicago Board Options Exchange (CBOE).