

TRIPLE3 VOLATILITY ADVANTAGE – CLASS A: QUARTERLY REPORT

30 June 2019

Performance

	1 month %	3 months %	1 year %	3 years % pa	5 years % pa	Since inception ¹ % pa
Growth ²	(0.75)	(1.99)	(5.37)	(2.40)	(2.93)	(2.99)
Distribution ²	0.00	0.00	0.00	0.00	0.00	0.09
Total ²	(0.75)	(1.99)	(5.37)	(2.40)	(2.93)	(2.90)

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 not a guide to future performance

Fund facts

Summary

APIR code	GSF0009AU
Inception date	12 May 2014
Fund size: 30 June 2019	\$28.05 million (Class A & S)
Minimum investment	\$25,000
Unit valuation	Sydney Business Day
Applications and withdrawals	Daily
Cum unit prices at 30 June 2019 ¹	Application \$0.8593 Withdrawal \$0.8559
Responsible entity	GSFM Responsible Entity Services Limited

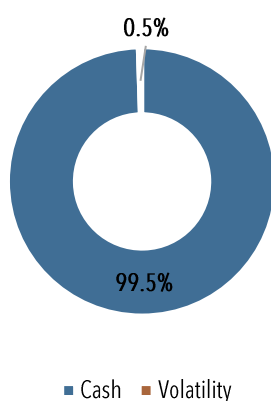
¹Entry and exit prices for each Business Day available at www.gsfm.com.au

Fees

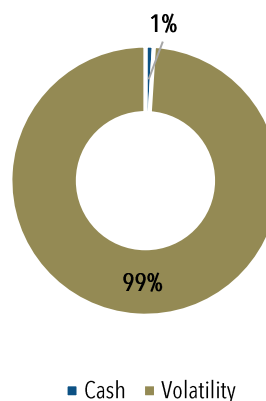
Establishment fee	Nil
Contribution fee	Nil
Withdrawal fee	Nil
Management costs ²	1.45%pa of the Net Asset Value of the Class A units
Performance fee ²	A Performance Fee is calculated each business day as 20% of the difference between the daily dollar return of the Fund and the daily dollar return of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

²Inclusive of the net impact of GST

Cash weighting of the Fund 30 June 2019



Risk weighting of the Fund 30 June 2019



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 25 March 2019 available at www.gsfm.com.au

Fund information

Fund changes

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

- Fund's risk profile
- Fund's investment strategy
- Key investment professionals for the Fund
- 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®) (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 options (and other volatility related options being SPX options and VXX options) to gain exposure to volatility on the SPX (the volatility component).

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 8 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

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).

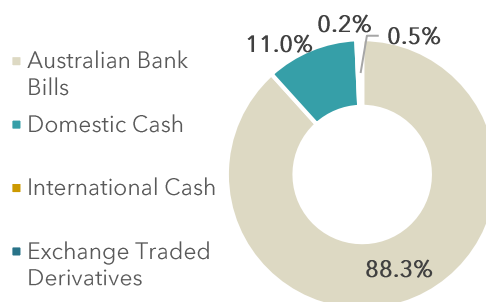
Fund review

The US equity market had a mixed second quarter of 2019. The Volatility Advantage Fund returned -1.99% for the quarter while the S&P 500 index returned +3.79% in US dollar terms.

After a strong first quarter with double digit gains, the US stock market continued rallying into April before taking a breather in May due to the impending trade war. A dovish Federal Reserve helped the market recover and reached new highs in June. The VIX index jumped momentarily into the low 20's before receding back to the mid-teens during period.

During the quarter the Fund's option portfolio had mostly defensive positions in S&P put spreads and VIX call spreads. The drawdown in May was relatively short lived and the subsequent recovery was very speedy for us to realise profits from the hedges. As the global economy and financial markets are near major turning points, we will remain vigilant over the short to medium term.

Asset allocation (gross) as of 30 June 2019*



*The investment strategy is made up of two components: Volatility and Cash. A portion of the Fund is invested in volatility as an asset class, while the majority of the Fund is invested in cash and cash-like instruments.

More information about the Fund weightings and the Fund asset allocation can be found in 'Investment Strategy and how the Fund is managed' in Section 3 of the Fund's Product Disclosure Statement dated 25 March 2019 available at www.gsfc.com.au

As of 30 June 2019

Liquidity profile of Fund's assets	The Fund's assets can be liquidated within 3 days.
Maturity profile of Fund's liabilities	The Fund holds no liabilities. The Fund has long S&P 500 put spreads on for expiry 19 July and 16 August. The Fund long an Iron Condor in VIX for expiry 17th July and 21 August. The Fund also holds a long 1 by 2 VIX call spread, which acts as a tail risk hedge. The Fund is net long 1,000 VIX calls as at 16 July 2019.
Fund leverage ratio (gross)	173%

Please see www.gsfc.com.au for more information about the Triple3 Volatility Advantage Fund.

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. GSFM Responsible Entity Services Pty Limited ABN 48 129 256 104 AFSL 321517 (GRES) is the responsible entity of the Triple3 Volatility Advantage Fund ARSN 168 796 718 (Fund) and is the issuer of this information. This information has been prepared without taking account of the objectives, financial situation or needs of individuals. Before making an investment decision in relation to the Fund, investors should consider the appropriateness of this information, having regard to their own objectives, financial situation and needs and read and consider the product disclosure statement for the Fund dated 25 March 2019 (PDS) which may be obtained from www.gsfm.com.au or by calling 1300 133 451.

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 GRES, 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 18 July 2019.