

TRIPLE3 VOLATILITY ADVANTAGE – CLASS A: MONTHLY REPORT



August 2019

Fund overview

Volatility is a unique asset class that offers a largely untapped source of alpha for investors' portfolios. With low correlation to other asset classes, notably equities, volatility can be used to enhance returns and manage risk.

The Fund is a volatility-focused strategy designed to capture alpha from liquid exchange-traded VIX¹ options.

It aims to generate long-term absolute returns that are negatively correlated to the S&P500 Index² (SPX).

It is expected that the investment strategy will perform best in periods where the SPX is falling, and volatility is high.

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).

Performance

As at 31 August 2019

	1 month %	3 months %	1 year %	3 years % pa	5 years % pa	Since inception ¹ % pa
Growth ²	1.67	0.42	(4.16)	(2.19)	(2.17)	(2.68)
Distribution ²	0.00	0.00	0.00	0.00	0.00	0.08
Total ²	1.67	0.42	(4.16)	(2.19)	(2.17)	(2.60)

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: 31 August 2019	\$30.00 million (Class A & S)
Minimum investment	\$25,000
Unit valuation	Sydney Business Day
Applications and withdrawals	Daily
Cum unit prices at 31 August 2019 ¹	Application \$0.8694 Withdrawal \$0.8660
Responsible entity	GSFM Responsible Entity Services Limited

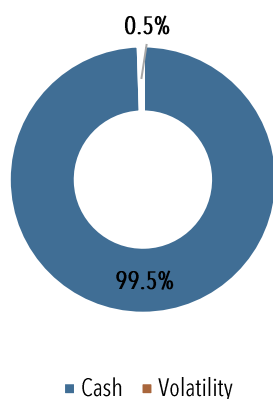
¹Entry and exit prices for each Business Day available at www.gsfm.com.au

Fees

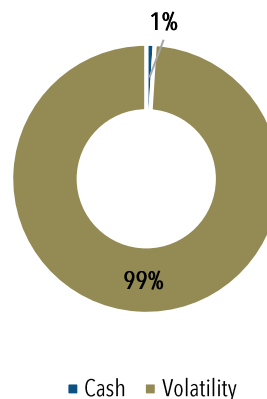
Establishment fee	Nil
Contribution fee	Nil
Withdrawal fee	Nil
Management costs ²	1.45%pa of the Net Asset Value of the Class A units
Performance fee ²	A Performance Fee is calculated each business day as 20% of the difference between the daily dollar return of the Fund and the daily dollar return of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

²Inclusive of the net impact of GST

Cash weighting of the Fund 31 August 2019



Risk weighting of the Fund 31 August 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.gsfc.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).

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 +1.67% for August 2019, while the S&P 500 index had a negative month returning -1.81% in US dollar terms.

Political risks took centre stage for the month, as the US and China exchanged tariff hikes against each other in the latest round of the prolonging trade war. Equity markets reacted negatively. The S&P 500 dropped over 6% early in the month from an all-time high reached in late July, before entering range trading mode in the following weeks.

The Fund benefited from the market turbulence and rise in volatility. As the VIX fluctuated between 16 and 24 for the period, we made use of short-term options to generate a number of small gains which accumulated into a healthy return for the month. We may deploy similar tactics in the next few months as the market is likely to remain uncertain and volatility sporadic.

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.gsfc.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 13 September 2019.