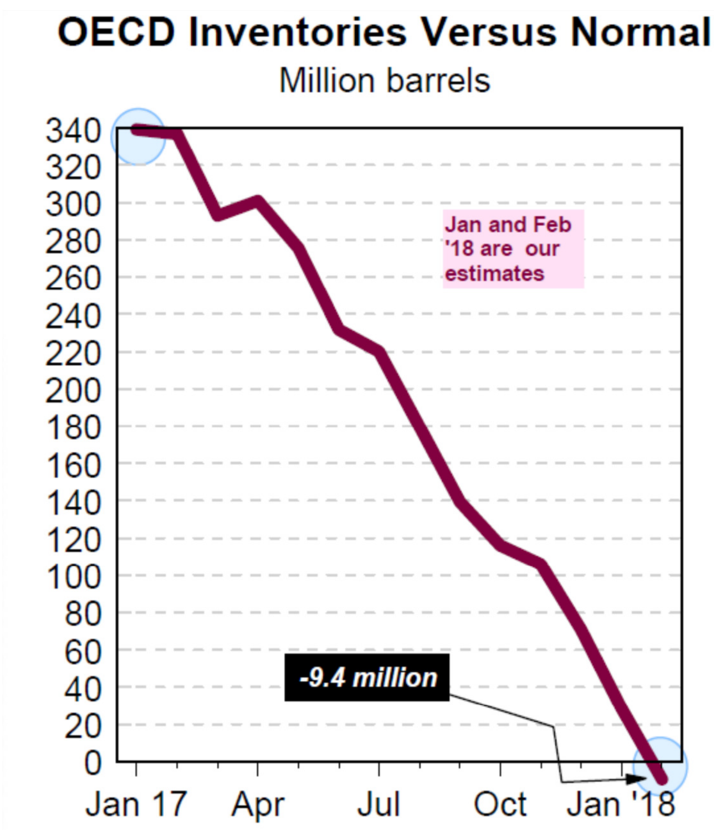
ROUNDTABLE CAPITAL PARTNERS INC.

## PERFORMANCE AS OF FEBRUARY 28, 2018

| FUND | YTD | 1 MONTH | 3 MONTH | 1 YEAR | INCEPTION |
|---|---|---|---|---|---|
| Lysander-Roundtable Low Volatility Equity Fund | -4.5% | -2.9% | -3.7% | -0.4% | 5.3% |

Performance is net of all fees and is shown for **Series F units**. For periods greater than 1 year, figures are shown as compound annual growth rates (CAGR). Date of inception: Dec. 31, 2015.

Good riddance! For February, the S&P 500 fell 3.7%, the first monthly drop since last March. The decline ended one of the index's longest monthly winning streaks on record. The blue-chip equity index is now up just 1.8% for 2018, despite its best first-month start to a year since 1987. In similar fashion, Canadian stocks dropped 3.0% in February, their worst 1-month decline since December 2015. On a broader basis, things were even worse for global equities. The MSCI All-Country World Index was also trounced, falling 4.2%. Further, commodities were broadly negative last month with oil down 4.8%, natural gas down 11.0%, gold down 2.0% and copper down 2.6%. Not surprisingly, given the climate, the Canadian dollar lost 4.0% in February versus its U.S. counter-currency.

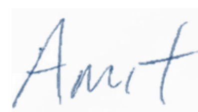



Within this volatile environment, we feel that the recent oil price action is worth special attention. Oil prices over the last six weeks or so have been caught up in the risk-on/risk-off trades rather than reflecting the underlying fundamentals. While the figures are preliminary and subject to revision, independent research firm, Cornerstone Analytics, estimates total OECD stocks (the proxy for global storage) drew sharply during February, falling to a below normal level for the first time in 3½ years. Cornerstone estimates that inventories were drawn 46 million barrels last month (about 6-times larger than normal) which was led by an unusually large pull on Pacific region's stores. The very large draw on inventories last month came on the heels of a contra-seasonal draw in January, and much larger than normal withdrawals during Q4 in 2017. These inventory declines took place counter to widely held expectations, a fact many seem intent on drowning out. So while crude prices have been caught up in the "macro-trade" of late, we are convicted that the supply/demand issues ultimately will win out and the oil prices will move higher through the year.

The Series F units of the *Lysander-Roundtable Low Volatility Equity Fund (the "Fund")* depreciated by 2.9% in February as equity markets around the globe sold off on the back of heightened volatility related to inflation concerns and further rate hikes by central banks. All sectors of the S&P 500 Index posted negative returns, with energy and consumer staples stocks hardest hit, falling 11.3% and 7.8%, respectively. Technology and industrials were the only sub sectors of the S&P/TSX Composite Index to post positive returns, while healthcare was the biggest laggard, falling 10.1%. As highlighted in past commentaries, volatility as measured by the CBOE Volatility Index (the "VIX") has been muted and hovering around historical lows of 10%. The recent spike in volatility has been fast and large, moving from approximately 13% at the end of January and peaking in mid-February to just over 37%. The VIX finished the month of February at 19.9%. In this environment, short call options added approximately 120 basis points (bps) of positive performance to fund returns. The U.S. dollar strengthened versus its Canadian counterpart in February, appreciating by 4.0% during the month. Given the strong move in the U.S. dollar, the Fund has increased its FX hedge to 80% as at February month end. Top performing positions in February include TJX Companies Inc. (Consumer Discretionary), Cascades Inc. (Basic Materials), Open Text Corp. (Technology), TransAlta Corp. (Utilities), and Estee Lauder Companies Inc. (Consumer Staples). The Fund's exposure to energy and financials stocks weighed on returns by approximately 250 bps. Although the Canadian banks posted solid fourth quarter results, investor reaction has been muted as the market takes a "wait-and-see" approach to the impact the recent regulatory changes relating to mortgage lending in Ontario will have on one of the most important revenue lines for the banks. Given the increased uncertainty surrounding mortgage lending, the Fund has decreased exposure to Canadian banks in the near term and increased option coverage on these positions. Net exposure in February averaged 80% (delta-adjusted for short call options), up from 73% in January. Option coverage at the end of the month was approximately 65%.

Sincerely,
The Roundtable Portfolio Team





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