

ROUNDTABLE

CAPITAL PARTNERS INC.

LYSANDER-ROUNDTABLE LOW VOLATILITY EQUITY FUND

Global equity markets experienced relatively muted action during August. The S&P/TSX Composite Index was near flat during the month, rising 0.1%. South of the boarder, the S&P 500 produced a polar opposite result, falling 0.1% while the MSCI All-Country World Index advanced 0.1%. On the commodity front, West Texas Intermediate (WTI) Crude Oil bounced back from July's decline of 15.1%, rising 7.5% and finishing the month at \$44.70 per barrel. The price of natural gas remained steady during August, appreciating a modest 0.4%. Gold gave back some of its year-to-date gains, falling 3.1% during the period. "Doctor Copper", the metal reputed to have a Ph.D. in economics because of its ability to predict turning points in the global economy, fell 6.3% - arguably a foreboding signal.

Volatility continues to be muted with the CBOE S&P 500 Volatility Index (VIX) hovering around 13%. Other than Basic Materials, all other sectors of the S&P/TSX Composite Index posted positive returns over the course of the month. Healthcare was the top performing sector within the TSX, appreciating over 20%. This was mainly due to the Valeant effect, as common shares of the company appreciated over 30%. Although the advance in Valeant shares has been drastic, we are comfortable staying on the sidelines as short-term risks outweigh the reward. As at the end of August, the Fund held a cash position of approximately 15%. Global equity markets have continued to appreciate while macroeconomic data has been stagnant to negative. Economic data out of the U.S. has been mixed and GDP data points out of Canada on an annualized basis have come in below expectations. Historically, September has been a volatile month for equity performance. Given the culmination of the above, we are cautious in the short term. Net exposure for the Fund averaged 65% in August and has been reduced to approximately 60% in early September. Option coverage is in the lower end of the 50% to 100% range.



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